FINANCIAL TIMES

No. 27,157 Thursday December 23 1976 ***10p

CONTINENTAL SELLING PRICES: AUSTRIA Sch.13; BELGIUM Fr.22; DENMARK Kr.3; FRANCE Fr.2.50; GERMANY DM1.70; ITALY L.400; NETHERLANDS Fl.1.75; NORWAY Kr.3; PORTUGAL Esc.17.50; SPAIN Pts.35; SWEDEN Kr.2.75; SWITZERLAND Fr.1.70.

NEWS SUMMARY

GENERAL

Fukuda to be Japan's Premier

Mr. Takeo Fukuda is certain to be chosen as president of Japan's ruling Liberal Democratic Party to-day, in succession to Mr. Takeo Miki, who is also Prime Minister. Mr. Fukuda will thus become the party's choice to succeed Mr. Miki as Premier.

Mr. Fukuda has already begun selecting the party's new senior officials. He will be named Prime Minister to-morrow and may announce his Cabinet line-up later the same day.

The bulk of the party probably regards the smooth transfer of power to Mr. Fukuda as a relief after the months of intra-party squabbling, but younger elements—politicians in their 40s and 50s—were hoping for more sweeping leadership changes. Back Page

Porn squad five jailed

Five members of Scotland Yard's porn squad were jailed at the Old Bailey for between four and ten years for plotting to take bribes from pornography dealers. Mr. Justice Mars-Jones said the scale of bribery involved was "quite staggering." He told the five: "I fear that the damage you have done may be with us for a long time."

A sixth officer, who was acquitted, was ordered to pay £2,000 towards his defence costs. Since the corruption investigation began, pornography inquiries have been handled by uniformed police.

New Sunday bid

Associated Newspapers, unsuccessful recently in its efforts to acquire The Observer, plans to launch a new natonal Sunday newspaper within the next two years aimed at the middle ground of the market and probably n tabloid form. Back Page

Jail chief stabbed

Mr. William Driscoll, Governor of Liverpool Prison, was stabbed four times while releasing a civilian worker held hostage by a prisoner. The Governor's heavy overcoat absorbed some of the blows and he was not seriously hurt.

Equal benefits

The Common Market Commission has proposed the end of sex discrimination in awarding social security benefits. If the EEC Council agrees, member governments would implement the plan within four years.

Holiday truce

The Provisional IRA is to operate a 72-hour truce from Christmas Eve to Boxing Day, but will apparently make no formal announeement. In Maghera, Co. Londonderry, a part-time policeman was killed in a car-bomb. A bomb in Belfast badly damaged two shops. Page 9

Amin about-turn

Uganda is to allow in another 6,000 skilled Pakistanis to work under contract in a move to repair some of the economic disruption which has arisen since President Amin expelled 40,000 British Asians in 1972.

People . . .

Lord Lucan's gambling chips, embossed with his coronet, were sold for £400 at Christie's to a Spanish antique dealer.

Mr. Conrad Hilton, the 87-year-old U.S. hotel magnate, is to marry a 61-year-old spinster.

. . . and places

Pennine moorland: Eight people were injured, three seriously, in thick fog on the M62 near the Yorkshire-Lancashire border.

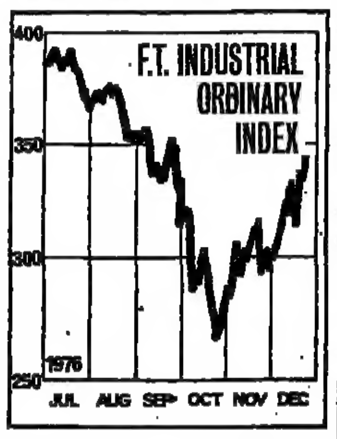
Delhi: England won the First Test against India by an innings and 25 runs. Page 2

BUSINESS

Sterling up ½c; equities firm

● STERLING gained 0.55c to $1.6860; its weighted depreciation narrowed to 44.6 (44.7) per cent. The dollar's narrowed to 1.22 (1.28). The Australian dollar was revalued for the fourth time in as many trading days, cutting back the effective devaluation of 17.5 per cent. on November 29 to 13.5 per cent. Page 6

● EQUITIES were firm, though demand was moderate. The FT 30-share index rose 6.7 to 344.5,



while the All-Share gained 1.7 per cent. to 147.39.

● LONG-DATED GILTS ran out of steam following the surprise announcement of a new long tap and gains were pared to ½. Shorts were unaffected and recorded fresh rises.

● GOLD was unchanged at $133¼.

● WALL STREET was up 1.58 at 985.95 near the close.

● BANK of Jamaica has halted foreign exchange dealings in the island's currency due to "a serious depletion in reserves."

State order for Marathon

● SHIPBUILDING and engineering unions plan to put strong pressure on the Government to repeat yesterday's decision to finance a drilling rig at Marathon at other yard's facing redundancies. Back Page. Blue Star Line ordered two container ships thought to be worth up to £28m. from Swan Hunter. Page 9

● MR. PIERRE LARDINOIS, outgoing EEC Commissioner for Agriculture, warned that the Common Agriculture Policy could collapse by the summer. Page 4

● PATENTS BILL will give the TUC a new role in the fixing of rates of awards for employed inventors when it reaches the Statute Book, probably in the spring. Back and Page 14

● BRITAIN is exercising its right to postpone payment of U.S. and Canadian postwar loans of about £104m., due before the New Year. The Group of Ten agreed to make the funds available for the IMF to grant the $3.9bn. loan to the U.K. Back Page

COMPANIES

● DUNFORD & ELLIOTT'S share price jumped 5p to 45p when the Board forecast a 5.5p dividend ofr 1977 (8.46p gross) as part of its defence against the £3.9m. bid from Johnson & Firth Brown. Page 17 and Lex

● BOC INTERNATIONAL pre-tax profit in the fourth quarter rose to £21.46m. (£11.67m.), Page 16 and Lex

● ASSOCIATED DAIRIES first-half pre-tax profit rose to £9.56m. (£5.87m.) on increased turnover of £196m. (£140m.). Page 16 and Lex

● EGAM, Italy's State-controlled minerals agency, is reported to have debts of L875bn. (£625m.) and many companies within the group face bankruptcy unless new loans can be secured rapidly. Page 18

Shore plans probe into Windscale re-processing plant

BY DAVID FISHLOCK, SCIENCE EDITOR

Britain's brightest prospect for overseas nuclear business suffered a sharp setback yesterday when Mr. Peter Shore, the Environment Secretary, gave only qualified approval for the proposed £655m. investment at the Windscale factory in Cumbria of British Nuclear Fuels.

Mr. Shore's decision follows a vigorous campaign by opponents of nuclear energy to obstruct BNFL's investment plans for Windscale, its reprocessing factory, on the grounds that they would lead to increasing quantities of plutonium and radioactive wastes.

Both are byproducts of the reprocessing of all nuclear fuels. Windscale's existing Magnox reprocessing capacity is up to 2,500 tonnes a year, the plutonium and wastes from which are being stored within the factory.

Mr. Shore said in a Commons statement that if the company re-submitted its plans in three separate parts, it would probably approve two parts without delay—that concerned with the reprocessing of metallic uranium fuel from Britain's Magnox nuclear stations, and with the management of highly radioactive wastes.

But he would call a public inquiry into plans for a new chemical plant to reprocess oxide fuel, the kind used in a new generation of U.K. reactors but much more widely in reactors overseas.

The company said last night that while a quick inquiry would not preclude the signing of overseas contracts, it was worried about the damage the Government's change of mind would do to BNFL's credibility with potential customers abroad.

Since last March, when the Government gave its approval to negotiate new overseas contracts for reprocessing, BNFL has been negotiating major contracts with Japan, West Germany and Sweden, as well as with the U.K. generating boards.

The company prepared plans for local planning approval which embraced a wholesale redevelopment of its Wandscale site, an integral part of which

Parliament, Page 12
Editorial comment, Page 14

fas the construction of a new thermal oxide reprocessing plant (THORP).

THORP, an estimated £350m. investment, is seen as a chemical facility the width of a football pitch and about three times the length. Its primary purpose is recycling spent nuclear fuel from Britain's second-generation nuclear stations, the first of which came into service this year.

But the slow rate of build-up of nuclear capacity from the new generation of stations means that even by the 1980s the domestic requirement will be no greater than 250 tonnes of fuel for reprocessing a year, whereas the economic size of THORP is about 1,000-1,500 tonnes annual capacity.

Overseas contracts afford Britain a nopportunity of building a plant of economic size at the outset, and of having it funded largely by overseas customers since the contracts under negotiation called for a 40 per cent. down payment towards the cost of construction.

Sir John Hill, chairman of BNFL, said last night that the problem for the company now was whether or not to continue its negotiations for overseas contracts. Windscale was already storing about 230 tonnes of overseas oxide fuel, and expected to receive more next year, under contracts already signed.

The new contracts were not going to collapse in the next month or so, as a result of Mr. Shore's decision, but Sir John believed that the overseas customers would need to decide sometime within the next year—some sooner than others—whether to send their fuel to Britain or whether to make alternative arrangements, such as long-term storage of the highly radioactive fuel.

CBI survey points to slow recovery continuing

BY ADRIAN HAMILTON

DESPITE the gloom of recent economic forecasts, the latest CBI monthly trends inquiry suggests that a slow recovery in manufacturing output is still under way and that the majority of businesses expect the growth to continue over the winter.

The recovery, the confederation stresses, remains gradual and there are signs that the improvement in the order position may be slower than previously in the year.

Nevertheless, the results of the inquiry, carried out in the first two weeks of this month, show a sizeable majority of companies reporting a rise in orders over the last four months and expecting a further rise over the next four months.

Of particular encouragement is the confirmation of a continuing strong rise in the value of export orders. In spite of a sudden drop in the percentage of companies reporting this last month, the latest figures show an increase to 34 per cent. recording a rise in the value of export orders.

In volume output terms, the percentage of companies expecting a rise in orders over the next four months, at 37 per cent., is perhaps less impressive. The balance of 23 per cent. over those expecting a fall shows a lower level than the 33-40 per cent. recorded in the summer.

But the trend remains favourable, while the latest figures on stocks indicate a surprising degree of stock rebuilding at this time.

The results of the recent CBI surveys, which have tended to prove reasonably accurate as a guide to trends in the past, must be particularly encouraging to the Government at this time.

As the statement by Mr. Denis Healey, the Chancellor of the Exchequer, to Parliament last week made clear, the Treasury in relying almost entirely on a rise in manufacturing output led by export orders if it is to achieve even the relatively low GDP growth rate of 2 per cent. it is hoping for next year.

Yet all the recent official figures for manufacturing output and export volumes over the autumn have tended to show a stagnation if not an actual downward trend.

The consistency of the CBI results suggesting that there has been continued growth—although exaggerated by the impact of inflation on the value of orders—argues against a downward slide at this time.

In line with this evidence, the confederation is predicting a rise in both manufacturing output (at about 6 per cent.) and export orders (at around 8-10 per cent.) fairly closely in line with the Treasury's own forecasts.

The crucial difference is the CBI's much lower forecasts for manufacturing investment, at 10-15 per cent. growth next year, compared with the Treasury's 19.5 per cent. forecast—although even here the difference is one of degree rather than direction.

Very high

The CBI says that it is the producers of consumer goods who show an especially buoyant intake of orders, both export and total.

The results also show a very high proportion of companies, at 78 per cent., expecting an increase in "average prices at which domestic orders are booked."

The CBI's accompanying economic situation report contains a summary of the picture in other European countries, pointing to the remarkable similarity of recent trends in Europe.

Inquiry into accountancy drain

BY MICHAEL LAFFERTY

THE DEPARTMENT of Industry has launched an inquiry into what appears to be a very high and increasing level of emigration by young accountants from Britain.

Some London offices of major international accounting firms confirmed yesterday that the problem is now causing increased concern.

Two of the largest firms in the City admitted that recent staff interviews had established that up to 75 per cent. of their young accountants are actively considering emigration within two years.

One of the same firms said that in the past year 26 per cent. of the accountants leaving the firm were permanently emigrating, whereas in previous years only about 6 per cent. left Britain.

About ten of the leading British and international accounting firms have been asked to co-operate in the industry Department's inquiry. They received a letter earlier this month from Mr. Kenneth Sharp, accountancy adviser to the Department, asking for documented cases of accountants leaving the country because of a lack of financial or other incentives.

The inquiry follows the disclosure that a major interdepartmental investigation of industrial management problems in Britain is being conducted in Whitehall. A preliminary report of the working party conducting the inquiry comments that the better British managers are increasingly likely to seek employment abroad, where the rewards are greater.

The extent of emigration among accountants seems to vary from firm to firm and may depend on the closeness of the U.K. firm to its international associate offices.

At Arthur Young McClelland Moores, Mr. Brian Waters, a partner, said that 15 of the 78 qualified accountants who had left the firm in 1976 went overseas, and the firm already had 20 applications for transfers abroad in 1977.

Mr. Michael Roberts, a partner in Deloittes, reported that applications from young accountants outside the firm to join Deloittes' offices overseas were up by 50 per cent. this year.

The international accounting firms are particularly well-placed to facilitate the emigration of British accountants. Most of them were founded in the U.K and as a result of their international activities the British chartered accountants' qualification is now highly regarded throughout the world.

The most popular countries for emigrating British accountants are said to be Canada, and Australia, but South Africa and the Middle East countries are also high on the list.

Another £750m. tap stock issued

BY MICHAEL BLANDEN

AFTER gilt-edged prices showed strong demand yesterday the Bank of England announced yet another £750m. stock issue.

At the same time, the continuing acute shortages in the money market brought a late scramble for funds. The cost of overnight interbank loans jumped to exceptional levels reported at up to 500 per cent. in places, and some dealers felt the authorities might have to take further special action to relieve the shortages.

In spite of these pressures the market was still expecting a fall of ½ per cent. to 14¼ per cent. in the Bank of England's minimum lending rate to-morrow. The Bank again gave a clear signal to the market that it should be unhappy to see more than a slight fall in rates.

The new Government stock will replace the previous long-dated tap stock which ran out on Tuesday. The announcement came more quickly than some dealers had expected, and given the large size of the issue dampened the market in late dealings.

Nevertheless, the market remained strong through most of the day, and it is thought that the present short-dated tap stock could also run out shortly. After being as much as ¾ point up, long-dated stocks closed with rises of up to ½ with the Financial Times Government Securities Index rising 0.16 to 59.62.

The new stock is a further tranche of Treasury 15¼ per cent. 1996, being issued at £99 per cent. to yield 15.40 per cent. flat and 15.42 per cent. to redemption. With applications on Friday next week, it will provide the authorities with a means of controlling the market.

The strong gilt-edged sales have been one of the factors contributing to the shortage in the money markets. The issue brings the total of new issues since September 24 to £5.45bn. On Tuesday Mr. Denis Healey, Chancellor of the Exchequer, reported that net sales in the past three months had totalled £4bn.

The shortage of money in the market also affected sterling late yesterday, helping to push the rate up by 55 points to $1.6860 with its effective depreciation from December 1971 levels narrowing from 44.7 to 44.6 per cent.

Economic Viewpoint Page 15

$ in New York

—	Dec. 21	Previous
Spot	$1.6825-6835	$1.6803-6813
1 month	1.56-1.62 dis	1.64-1.59 dis
3 months	4.06-4.01 dis	4.10-4.85 dis
12 months	13.20-13.10 dis	12.35-13.25 dis

50-50 PLEA REJECTED

EEC-Japan shipbuilding talks deadlock

BY CHARLES SMITH IN TOKYO AND JOHN WYLES IN LONDON

THE DISTANT thunder of what could turn out to a bitter dispute between the European Community and Japan over world shipbuilding orders was heard in Tokyo yesterday after market-sharing talks ended in deadlock.

An EEC delegation headed by Mr. Josephus Loeff, the director-general of the Commission for industrial and technological affairs, was told that Japan "did not think it appropriate" to agree to a 50-50 share of available orders between Japan and the member countries of the Association of West European Shipbuilders (the EEC plus Scandinavia, Portugal and Spain).

Although the EEC will still try to pursue its proposal within the Organisation for Economic Co-operation and Development early next month, the Tokyo rebuff will intensifyp pressures within the Community for action to curb Japan's increasing market dominance. Its shipyards have captured 86 per cent. of orders placed in OECD countries in the first nine months of the year.

Mr. Loeff said in Tokyo yesterday that the Commission would continue with its study of "autonomous measures" to protect European shipbuilding should relations with Japan deteriorate still further.

Time factor

However, his statement blurs the fact that the EEC countries are far from agreed on the measures necessary and that time is fast running out for the achieving an orderly contraction of the Community's shipbuilding industries.

During the Tokyo talks, which lasted two days, officialys from the Japanese Transport Ministry agreed to participate in a detailed monthly exchange of information on new orders taken and any cancellations agreed.

This will enable the EEC to monitor more accurately Japan's marketing successes and will indicate whether, as some hope, Japan will soften its attitude during the course of next year. Mr. Loeff said he was glad it had been "willin gto do something."

Japan maintain that it has gone as far as its domestic policies will allow in responding to the world shipbuilding crisis. It has adopted a programme for cutting its shipyard output to less than 40 per cent. of 1974 levels in four years.

This world yield 6.5m. gross tons output by 1980 compared with about 4m. grt under the EEC's proposal. Total world demand for that year is estimated at between 12m. and 13m. grt.

Employment

On present trends West European yards could be reduced to total orders of around 1m. grt a year—less than the U.K. shipyards' present output.

Few EEC countries are ready to contemplate this because of the employment consequences, and during the next few months the EEC is expected to consider changing its directive of shipyard credits so as to attract more orders.

Softening the existing credit restrictions is seen as a means of maintaining pressure on Japan without starting an all-out trade war.

However, it is doubtful whether at this stage the EEC countries could agree among themselves on any tougher action and the possibility cannot be ruled out that some will try to ignore the EEC rules altogether in a bid to rescue their shipyards.

No date has been fixed for another EEC-Japan meeting on shipbuilding but it is expected that the Japanese shipbuilders will now agree to private sector talks with their European counterparts.

FT over the holidays

The Financial Times will publish special holiday issues to-morrow and on New Year's Eve.

To-morrow's issue will contain the leisure features which normally appear on a Saturday, together with a critical look at the Christmas television schedules, the annual FT jumbo crossword, and the How to Spend It Quiz; the Stock Exchange dealings for the preceding four days will also appear in this issue.

The issue of Friday, December 31, will contain special articles on the economic and business outlook for 1977, the Saturday leisure features and the stock exchange dealings for the preceding three business days.

The Financial Times will not be published on December 25, December 27, December 28, January 1 and January 3.

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Treasury 9¼pc 1999	£64½	+ 1
Allen (W. G.)	34	+ 5
Allied Retailers	76	+ 8
Associated Dairies	188	+ 4
Associated Fisheries	38	+ 6
Assoc. P. Cement	147	+ 9
Barclays Bank	243	+ 8
Bibby (J.)	103	+ 6
Blackwood Hodge	82	+ 5
Bonas Webb	12½	+ 3½
Boots	121	+ 5
Caplan Profile	38	+ 4
Dennis (J. H.)	35	+ 2
Dunford and Elliott	45	+ 5
Freemans (London)	122	+ 7
Furness Withy	203	+ 8
GUS "A"	175	+ 5
Hawker Siddeley	436	+ 10
ICI	326	+ 11
LOFs	41½	+ 3
Lucas Inds.	203	+ 6
Office and Elect.	57	+ 11
Pauls and Whites	78	+ 6
Pearson Longman	99	+ 7
Pegler-Hattersley	148	+ 12
Pilkington	263	+ 8
Pride and Clarke	102	+ 9
Redland	84	+ 5
S.P.R.	88	+ 6
Sainsbury (J.)	127	+ 6
Tarmac	118	+ 6
Tunnel B	142	+ 8
United Newspapers	190	+ 10
Zenith Carb. "A"	63	+ 10
BP	770	+ 10
Shell Transport	452	+ 10
Southern India Tea	48	+ 15

FALLS

W.G.I.	75	− 7
Worth (Bond)	18	− 4
Randfontein	£22½	− ½

FEATURES

ON OTHER PAGES

هكذا من الأصل

LOMBARD

Where big business cannot cope

BY ANTHONY HARRIS

THE DISCOVERY, much publicised this week, that Britain is still an expensive country for tourists, despite the precipitous fall in sterling, will not have surprised anyone who does much business travel. British hotels of the kind used by the businessman and the better-heeled tourist are abominably expensive; and so, often, are meals out. On the other hand those who use a little ingenuity will also know that better value is there if you look for it, in farmhouses, family-run guesthouses, Indian, Chinese and some Italian and Greek restaurants, pub food and so on.

Family control

The real trouble is that you have to search for good value in England, while in such countries as France and Austria it is pretty easy to find; and this in turn reflects another fact. There is a much stronger tradition of family-run hotel and restaurant businesses in many European countries than there is here. In France, you are in the hands of the *patron;* in England, more often than not, of the manager. This is the country of the hotel chain, the tied house, not to mention the chain store and the oil-company-owned garage, and even of the multiple tailor and dispensing chemist. Only hairdressing still seems to be dominated by individualists.

The reasons for this state of affairs are a mixture of history and taxation—and particularly taxation. The high rates of income-tax in Britain, combined with a high standard of middle-class honesty, has meant that the only effective way in which a family businessman can reap the benefits of success is to sell his business for relatively lightly-taxed capital. Since controls on capital movements have ensured that British investors are eagerly seeking sources of U.K. income, the market has long been full of eager buyers and willing sellers.

History now seems to be taking some sort of revenge; for it has proved increasingly in recent years that the supposed economies of large-scale organisation in multiple businesses are largely an illusion or worse. A chain grocer can certainly achieve economies in buying; but only a few companies such as Marks and Spencer and the John Lewis partnership seem to have solved the problem of supplying some substitute for the incentive felt in a family business. Stolid or sloppy management, the burdensome yet little-discussed problem of staff pilferage, and the lack of flexibility which goes with chain organisation seem more than to outweigh any promised economies.

If it is true that personal motivation and the personal touch provide a small operator with valuable advantages in retailing, it is even more obvious in catering and hotel-keeping; indeed, the personal business ought to be so competitive that it is hard to explain why the chains have grown.

The reason here, I fancy, is to be found not so much in the cooking of the books as in the cooking of the food; in other words, in standards. Taking pot luck in France is a hopeful adventure; in this country it has in the past been an exercise in masochism. The horrors of English hotel and cafe food have created a market for anything standardised, however mediocre.

Equally, standards of comfort in guest houses can vary wildly, as any experienced traveller can testify. Here the consistent refusal of our own authorities to imitate the excellent French, Spanish—indeed, the general Continental European—system of officially defined and enforced standards of provision has for once been the enemy of small enterprise. A proper hotel inspection system would, of course, take away one big trading advantage of the chains, and so it would not be universally popular; but it would enable the enterprising small man to gain a foothold. Until that happens, Mr. Egon Ronay, the motoring organisations and the consumer movement provide a rather selective substitute.

Mass catering

Cooking standards are not enforceable in this way; but to judge by the very eatable food provided by most publicans as a matter of family enterprise, this really is becoming a problem of the past. For mass catering the ingenious American compromise, the franchise operation, which enables a family group to provide a standardised product, is proving highly successful.

Things are looking up, in short: but for how long Only, I am afraid, until the present generation of entrepreneurs want to sell up and retire, or go home. Until we have a tax reform which does not discriminate against income, we will not get a family business sector where the aim of the *patron* is to hand over a going concern to his son, rather than turn his achievements into money capital. That is one of the strongest arguments for tax reform.

CRICKET/FIRST TEST BY HENRY CALTHORPE

Lever's fine debut

DELHI, Dec. 22.

IT IS A long time since English cricket has had the encouragement of such a fine start to a Test series, a start which enabled England to win the first match of the series against India by an innings and 25 runs.

The last three wickets all fell this morning to one of the new players, John Lever, who in what was his first Test match took a total of ten wickets for 70 runs.

The party will move on to Calcutta to-morrow where they will spend a cheerful and happy Christmas. The last time the entire side spent Christmas abroad was two years ago in Melbourne after they had already received two comprehensive beatings at the hands of Thomson and Lillee. Good cheer was noticeably absent on that occasion.

Several heroes

The match was quickly tidied up this morning with the second new ball. First, Lever had Venkat caught behind down the legside as he tried to glance a short ball which came across him.

Two balls later, Bedi drove hopefully at a ball of full length which knocked his middle stump two yards towards Knott and, after another four overs, Lever hit Chandra's off stump and that was that.

There have been several heroes in this match. When England batted, Amiss steered them from a score of 65-4 when the Indian spinners were looking dangerous, to 381.

He himself batted for eight-and-a-half hours and 179 runs which was a remarkable effort in concentration, especially as he was never in quite his best form and he played his innings with a chest infection coming on.

When he left the field soon after India had begun their first innings it was with a temperature of 101.

Knott, batting as well as he can ever have done, played an important innings and Lever, who has approached his first Test match as though it was his 40th, set to work on the Indian batsmen.

He destroyed India's first innings with 7-46, while in the second innings Underwood and Greig worked relentlessly away at the main batting before Lever completed the job.

Lever's performance will probably stand in the record books for some years as the best bowling by an Englishman in his first Test match, but even so his figures give no idea of how they were achieved.

In half-an-hour on Saturday evening he found himself able to swing the ball as he has never been able to before.

Not only did he win this match after Amiss had made victory possible, but he also gained a new dimension as a bowler and will be a constant threat to the Indians and anyone else from now on.

For all that, perhaps the most impressive part of the English performance was the wonderfully high standard of fielding and throwing which they maintained throughout and which were a reflection of the great spirit there is within the party.

Greig, who many people thought should be dropped as England's captain after last summer's defeat by the West Indies, has been magnificent in looking after and encouraging his players and has succeeded in communicating his own tremendous enthusiasm.

Much of the credit for what has happened must go to him and to Ken Barrington, the manager, for he too has worked extremely hard, both administratively where he has taken as much as he can off the shoulders of the captain and in the way he has supplied advice about the cricket.

The players have a great respect for him, as is only natural for one who was himself such a fine player and who has been through it all.

The effect of their joint efforts has been to make this not so much a victory for the individuals who played the major roles as a victory for the whole party.

Brilliant

I have never seen an England side look so impressive in the field. Lever, Randall, who was substitute for Amiss, Barlow and Greig himself were brilliant in the field while the slower movers, such as Underwood, Brearley and Willis all played their parts handsomely.

Winning the first Test by such a big margin is no guarantee that they will win the series, but India now know that they have a problem on their hands.

Their famous spinners were thwarted just when it looked as if they might win the match and their batting has proved inadequate.

Five days of test cricket in Eden Gardens, Calcutta, in front of a crowd of 80,000 is going to be a testing experience in the New Year and later, in Madras, where India has recently had such a good record

England's John Lever (left), Derek Randall and Keith Fletcher after India's decisive defeat in the first Test.

APPOINTMENTS

Main board executive posts at Lloyds Bank

Mr. A. J. Davis, a deputy chief general manager of LLOYDS BANK, and Mr. N. W. Jones, deputy group chief executive, have been appointed to the Board.

★

Miss Irene Kuhn, a managing director of REA BROTHERS since 1958, has reached retirement age and will relinquish her appointment on December 31, but will remain a director. From January 1 Mr. J. Bratt becomes joint assistant general manager; Mr. M. Pfeiffer, manager; Mr. G. C. R. Booth, Mr. J. S. G. Lennox, Mr. J. C. Walker, Mr. R. F. Whitman, assistant managers; and Mr. W. L. G. Botes and Mr. S. R. F. Gartshore, holders of procuration.

★

Mr. Richard Cullum, formerly vice-president U.K. and managing director of BOOK GRAPHICS INCORPORATED of Watford, Hertfordshire, which has been acquired by SANTYPE INTERNATIONAL, has been appointed to the Board of Santype. Mr. Cullum remains director in charge of the Watford plant and Mr. Ron Castle continues as production manager of Book Graphics.

★

Mr. J. M. Allan has been appointed to the Board of CHRISTY BROTHERS and Mr. G. M. Wilson has resigned.

★

Mr. Kenneth Spurlock has been appointed chairman of Wales and the Marches Telecommunications Board of the POST OFFICE from January 1 in place of Mr. Harry Davies who is to retire.

★

Mr. David Bowick, chief executive (railways), has been appointed a vice-chairman of the BRITISH RAILWAYS BOARD. Four senior railway managers, Mr. I. M. Campbell, Mr. R. B. Reid, Mr. J. G. Urquhart and Mr. C. A. Rose have joined the Board. Mr. R. E. L. Lawrence has been re-appointed on a part-time basis and will continue as an executive vice-chairman. Appointed as a non-executive member is Mr. Michael Posner, a Reader in Economics at Cambridge University, and until recently deputy chief economic adviser at the Treasury.

★

From December 31, Mr. E. Sexton, Mr. C. J. Wyatt and Mr. R. R. Alexander are leaving the partnership of COHEN DE SMITT GREENER DREYFUS, stockbrokers. Mr. Wyatt will remain associated with the firm and will become an associate member of the new firm PIDGEON DE SMITT on January 17. Mr. Sexton and Mr. Alexander are joining NORTHCOTE AND CO., stockbrokers, as associate members from January 4.

★

Mr. K. L. Coullie has become secretary of the CHINA, HONG KONG AND JAPAN ASSOCIATIONS on the retirement of Mr. E. S. Bush.

★

Following the recent management changes at CHARLES BARKER CITY, Mr. Simon Cullum will become the director responsible for international development and Mr. Richard Pollen will be in charge of U.K. operations and new business development from January 3.

★

Dr. R. B. Arnold has taken over as director of the ASSOCIATION OF THE BRITISH PHAMACEUTICAL INDUSTRY on the retirement of Mr. E. B. Teesdale.

★

Mr. A. E. Jones will be retiring from the Board of LEYLAND PAINT AND WALLPAPER on December 31, but will continue in office as president.

★

Mr. R. E. Holland, chairman of Aviation and General Insurance, and Mr. G. Bowler, chairman of the British Aviation Insurance, have joined the Board of AIRCLAIMS GROUP in succession to Mr. A. C. Beckett and Mr. W. C. Harris. Mr. Bowler has been elected deputy chairman.

★

Mr. D. J. Wild has been appointed associate director of F. BOLTON INTERNATIONAL from January 1.

★

Mr. Charles Futerman has been appointed to the Board of MILLER WEBLIFT from January 4.

★

Dr. Malcolm Race has been appointed personnel director of the NEWCASTLE BREWERIES and becomes a member of its Board from January 4.

★

Mr. William Pepper, president of Burgess-Manning/Europe in the U.K., has been appointed vice-president of the parent company BURGESS INDUSTRIES INC., of the U.S.

★

Mr. G. N. Stone has been appointed director-general of the South Eastern Region of the CENTRAL ELECTRICITY GENERATING BOARD from January 1. He succeeds Mr. W. J. Prior who was appointed a member of the Electricity Council earlier this year.

★

Mr. Peter Earl, director of public relations for Standard Telephones and Cables, has become president of the INSTITUTE OF PUBLIC RELATIONS.

★

Mr. James L. M. Gill has been appointed a vice-president of FIRST WISCONSIN NATIONAL BANK OF MILWAUKEE and continues as operations manager, London branch.

★

Mr. J. M. Nicholls is to become general manager, and Mr. A. Faulkner, deputy general manager, from January 1, of ARTAGEN PROPERTIES, a subsidiary of Sun Life Assurance Society.

TV/Radio

BBC 1

† Indicates programme in black and white.

9.05 a.m. Roobarb. 9.10 The Great Grape Ape Show. 9.30 Country Search. 9.50 The Edinburgh 1976 Military Tattoo. 11.05 Bugs Bunny. †11.10 Flash Gordon. †11.30 "Tarzan and the Amazons," starring Johnny Weissmuller. 12.45 News. 1.00 Pebble Mill Christmas. 1.50 Barnaby. 2.00 "Scaramouche," starring Stewart Granger. 3.53 Regional News (except London). 3.55 Play School. 4.20 Astronut. 4.25 Jackanory. 4.40 Blue Peter. 5.05 John Craven's Newsround. 5.15 The Oddball Couple.

5.40 News.
5.55 Reporting England.
6.20 Nationwide.
6.40 Gemini Man.
7.20 Top of the Pops.
8.00 Sykes.
8.30 Happy Ever After.
9.00 Starsky and Hutch.
9.50 News.
10.15 Omnibus.
11.20 The Spinners at Christmas.
12.10 a.m. Weather / Regional News.

All regions as BBC 1 except at the following times:

Wales—5.15 p.m. Mae Gen I Stori . . . 5.35-5.40 Crystal Tipps and Alistair. 5.55-6.20 Wales To-day. 6.40 Heddiw. 7.00-7.30 Fo A Fe. 10.15-11.05 ". . . and the Pursuit of Happiness." 11.05 Y Plygain. 11.55 News and Weather for Wales.

Scotland—5.55-6.20 p.m. Reporting Scotland. 12.10 a.m. News and Weather for Scotland.

Northern Ireland—3.53-3.55 p.m. Northern Ireland News. 5.55-6.20 Scene Around Six. 12.10 a.m. News and Weather for Northern Ireland.

England—5.55-6.20 p.m. Look North (Leeds, Manchester, Newcastle). Midlands To-day (Birmingham). Look East (Norwich). Points West (Bristol). South To-day (Southampton). Spotlight South West (Plymouth).

BBC 2

11.00 a.m. Play School.
3.55 p.m. "The Nutty Professor," starring Jerry Lewis.
5.40 When Santa Rode The Prairie.
6.30 See It My Way.
7.00 News on 2 Headlines.
7.05 Top Crown Green Bowling.
7.30 News on 2.
7.35 Operation John Biscoe.
8.30 The Book Programme.
9.00 The Hollywood Musical: "Kismet," starring Howard Keel and Ann Blyth.
10.50 Leaving Lily.
11.25 Late News on 2.
11.35 Closedown: Paul Scofield reads "Christmas and Common Birth," by Anne Ridler.

LONDON

9.30 a.m. Felix The Cat. 9.35 "A Gift For Heidi." 10.45 Peggy Fleming's Ice Skating Spectacular. 11.35 Kimba. 12.00 Animal Kwackers. 12.10 p.m. Pipkins. 12.30 Parents Day. 1.00 News. 1.20 To-day's Post. 1.30 Crown Court. 2.00 Good Afternoon. 2.25 South Riding. 3.20 Heart To Heart. 3.50 Emmerdale Farm. 4.20 The Little House on the Prairie. 5.15 Bless This House.

5.45 News.
6.00 To-day.
6.40 Crossroads.
7.05 Thursday Adventure Film: "Track of the Cat," starring Robert Mitchum.
9.00 The Squirrels.
9.30 This Week.
10.00 News.
10.30 The World of Miss World.
11.50 What The Papers Say.
12.10 a.m. London Scene.
12.20 Christmas Pie.

All ITV regions as London except at the following times:

ANGLIA

†9.55 a.m. Feature film: "The Further Perils of Laurel and Hardy." 11.30 Scotch Corner. 11.55 The Woozies. 1.25 p.m. Anglia News. 2.00 Women Only. 4.20 The Romper Room. 4.45 Anita in Jumbleland. 5.15 Black Arrow. 6.00 About Anglia. 6.20 Arena. 7.00 Thursday Movie: "Nobody's Perfect." 10.30 George Hamilton IV. 11.00 Love Story. 12.00 Ski-ing with Gina. 12.30 a.m. Away in a Manger.

ATV MIDLANDS

BORDER

CHANNEL

GRAMPIAN

GRANADA

HTV

SCOTTISH

SOUTHERN

TYNE TEES

ULSTER

WESTWARD

YORKSHIRE

RADIO 1 247m

(S) Stereophonic broadcast

6.00 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Tony Blackburn including the Top 100 Favourite Oldies. 12.00 Paul Burnett including 12.30 p.m. Newsbeat. 2.02 David Hamilton (S) (also on VHF). 4.30 It's D.L.T. OK! 5.45 Newsbeat. 6.02 John Dunn (S) (joins Radio 2). 10.00 John Peel (S) (also on VHF). 12.00-12.02

RADIO 2 1,500m and VHF

RADIO 3 464m, Stereo & VHF

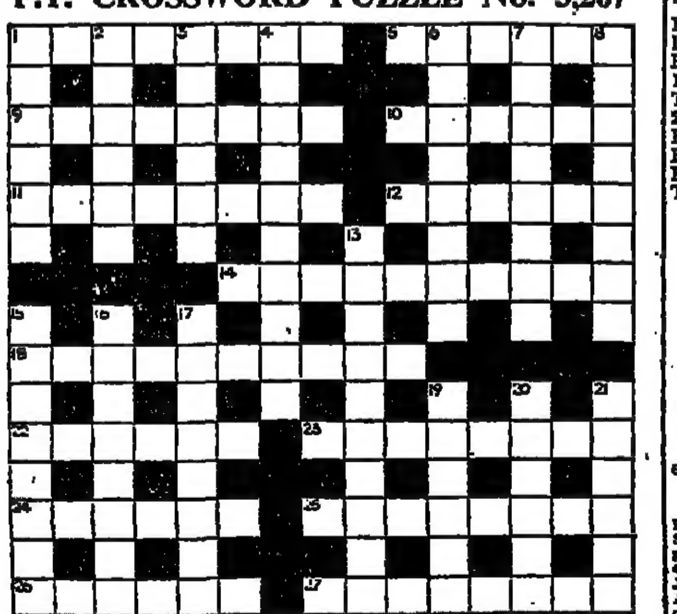
RADIO 4 434m, 330m, 285m and VHF

BBC Radio London 206m and 94.9 VHF

London Broadcasting 261m and 97.3 VHF

Capital Radio 194m and 95.8 VHF

F.T. CROSSWORD PUZZLE No. 3,267



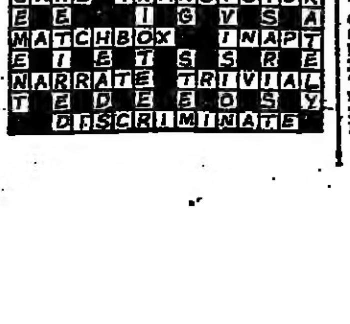
ACROSS

1 Second part of Ireland to retreat . . . (4, 4)
5 . . . over current taken by Scots county (6)
9 Dismissed all the runners in the deep at Lord's (8)
10 Used car suitable for a reporter (6)
11 Part of church making strange patterns (8)
12 State founder willing to flag (6)
14 A redundant worker may have to pay attention (4, 6)
18 Too old to go into battle (4, 3, 3)
22 Grate attachment setting the right standard (6)
23 Railing unsuitable for the elderly (8)
24 Unusual parent to catch (6)
25 Broken down as announced (5, 3)
26 River from south-west European country (6)
27 Concern making a profit (8)

DOWN

1 Drunk playing second class game of chance (6)
2 Caught playing card game while having forty winks (6)
3 Most boring doctor that is over the way (6)
4 In a good position to spring in the first three (4, 6)
6 Escort has tea with former S. American statesman (8)
7 Material to make the party paper fold up (8)
8 Runner for a southern publisher (8)
13 Medal awarded for taking a month over speech (10)
15 No good going barefoot (8)
16 Disparage tiny order (8)
17 Guide has time to go third class on board (8)
19 Solo call as motorway dried up (6)
20 Gangster who had a fowl to quarter (6)
21 Leave order to go one better (4, 2)

Solution to Puzzle No. 3,266



ENTERTAINMENT GUIDE

OPERA & BALLET

THEATRES

CINEMAS

[Fe]stival d'automne à Paris

Einstein on the Beach

by DOMINIC GILL

[Th]e climax of the Autumn [Fest]ival in Paris this year—[perh]aps the ultimate surge of [this] year's wave of Bicentennial [celeb]rations in Europe—offered [an i]mpressive array of avant-[gard]e musical Americana this [mon]th and last in and around [the c]ity under the co-ordinating [umb]rella of SMIP, the *Semaines [Inter]nationales Musicales de [Paris]*.

[At] the Salle Wagram, a Steve [Reic]h retrospective of eight [of hi]s works in four concerts [was] directed by the composer. A [serie]s of six concerts in the [Musé]e Galliera, called "Com[poser]s inside Electronics," pre[sente]d by the American pianist [and] composer David Tudor, in[vesti]gated (with what success I [shall] report in a second review) [vario]us aspects of live elec[troni]cs in performance. A week-[long] screening of nine two-hour [video] colour films about nine [Ame]rican experimental com[poser]s, made by one of the nine, [Robe]rt Ashley, was given at the [Ame]rican Cultural Center just [off S]aint-Germain. The Cultural [Centr]e of Marais continued and [exten]ded the theme with another [mont]h (until they ran out of [mone]y) of recitals by *Les ["Néo]-Moderns" Americains*. But [the] crowning event without [dou]bt of the Festival's American [prog]ramme was the Paris [prem]iere at the Opéra Comique [of a] new opera by Robert [Wilso]n, with music by Philip [Glass], *Einstein on the Beach*, [com]missioned by and first [perfo]rmed at the Avignon Fes[tival] last summer.

[Sin]ce 1966, Robert Wilson has [writt]en, produced, designed and [prese]nted with his own company [more] than 20 experimental [theat]re-pieces — notably *The [Life] and Times of Siegmund [Freu]d*, *Deafman Glance* (given [in Fr]ance in 1970 as *Le Regard [du So]urd*), *The Life and Times [of Jos]eph Stalin*, *Overture* and *[The] Dollar Value of Man*, and [most] recently that marvellous, [music]al extravaganza which [playe]d to crowded houses in [almo]st every country in Europe [excep]t, ironically, in England, *A [Lette]r for Queen Victoria*.

[All] of these have been called ["ope]ras"; but *Einstein on the [Beac]h* is the first of Wilson's [theat]re-pieces to use music as [an i]ntegral part of the work. [The] name, however, is no less [misle]ading. *Einstein* refuses as [many] conventions as *Queen [Vict]oria*: it is no more an opera [than] it is a play, or a ballet, [or a] dadaist happening. For [those] who must have a label, it [is] perhaps that vaguest of [moder]nal genres, performance-[theat]re, at once at its most [prof]essionally disciplined and its [most] dreamlike.

Einstein may be "about" justice (and injustice), about art and science, art and life: but it is essentially about nothing in particular, except the stuff of dreams. Like music, it is a matrix which the beholder may interpret as he wishes; and paradoxically also, like music, a matrix which—as Mendelssohn once pointedly observed—is not less precise, but more precise, than language.

Einstein can no more be understood than it can be explained: Even bald description, outside of its peculiar Wilsonian context, barely takes account of it, tends to make only ridiculous, the genuinely arousing, often very powerful, elemental force of the piece. The collaboration between author and composer offers few clues: Wilson showed Glass a set of drawings, for which Glass

The Entertainment Guide is on Page 28

composed a corresponding set of musical numbers. He played them to Wilson, who adjusted his drawings accordingly, and together they "tried to find out where Einstein was" in the result.

The scientist appears in person in three guises: as the elderly musician, caricatured, alone in the orchestra-pit, playing what might be a Chaconne for solo violin by Bach, actually a Chaconne by Glass, written after "another look at harmony"; as the younger mathematician, urgently covering an invisible blackboard with invisible calculations; as the man of conscience, barely seen, still working with his figures behind the window-grille of a *bunker atomique fort laid*. He appears too as a ghostly presence, mathematician and musician, in the language of the songs and liturgies (sometimes spoken, sometimes sung) which articulate the dramatic movement of the opera—notably in the five "knee-pieces," musical entr'actes, joints of the larger body, which begin and end and divide the four Acts of the work.

But his presence is a phantom, and its meaning unspoken, unassumed. Best maybe to treat Wilson's spectacle, and any description of it, with the same freedom of response it demands from its audience, the same freedom with which it unfolds.

An opera in four Acts, nine scenes and five "kneepieces," five hours long, without interval. The music scored for a basic ensemble of seven amplified instruments, and for the choir formed from Wilson's company, an exuberant sequence of "repetitive" structures, based throughout the work chiefly on progressions from one to five and five to one—in arpeggio, chordal and simple scale form, contracted and expanded by addition or subtraction: the loud, exuberant "additive music" of Philip Glass, refined to its basic elements, tough, strident, predictable: a hymn of machine-movement, softened occasionally, at its periphery, as the drama allows, with colour of mystery.

Nine scenes, divided into three groups of three, together elaborate three "themes," a train, transformed by its third appearance into a building, a bunker: a tribunal courtroom dominated by a vast bed (dreams of justice, imagination on trial?), reduced in the penultimate scene to a single, luminous bar of light; a spaceship, luminous disc, watching silently over the opera's two big dance sequences in an invisible "field," its "interior" the setting for the final scene, a massive recapitulation of themes visual and musical.

Images: a small boy standing alone at the top of a high pylon, scafford, crane, carefully folding, and from time to time loosing into the air, paper darts. A little girl listening intently to a cowrie shell. Two stenographer girls typing (or polishing their nails?) with elaborate formality in the foreground of the tribunal — a quick gesture of intimacy between them suddenly blown up and frozen, twice life-size (a characteristic Wilson device, simple action or gesture brought into sudden close focus, then transformed by repetition into something new and strange). The extraordinary Lucinda Childs, proud, vigorous, breezy, nonchalant, mercurial, absent from the stage it would seem for hardly more than five minutes of the five hours: her thrilling diagonal dance in the second scene of the opera, facing to the front, from corner to corner of the stage, back and forth across the Far West plainlands. Her assumption by turn of the roles of silent defendant, poetess and dreamer, armed guerilla; her final immolation, apotheosis, ascension. . .

The two dance-numbers — a free-moving pattern, articulated in a curious parody of classical ballet manners: ironical or naif? — both somehow succeeding by virtue of their very unpolishedness and their wealth of unexpected combination. The sudden white band of brilliant light that spreads down the backcloth, and later the luminous bar of the transmuted bed: a haunting echo of Cunningham's *Canfield*. *Einstein* is a puzzle, a ripple of widening echoes, a jubilant, mind-bending journey, unique of its kind. We shall, no doubt — as much for reasons of determined British provincialism as for reasons of budget and finance — never see it in London: the more our loss.

Acquavella Galleries, New York

The mystery of Claude Monet

by DENYS SUTTON, Editor of Apollo

An interesting feature of contemporary art history has been the change that has taken place in the approach to the French Impressionists. Not so long ago this movement was considered to represent the exclusive achievement of late nineteenth-century French painting and the work of any other artists of the period was harshly judged in relation to it. Now, however, a change has occurred. It is increasingly realised that the Impressionists were not the only able artists of the age; their connection with their colleagues could be closer than has hitherto been assumed. Jean Béraud, for instance, who depicted Parisian life with a journalist's eye for the salient fact has often been dismissed but at the Metropolitan Museum his paintings now hang in the same gallery as those of Degas.

This new attitude does not necessarily mean that the qualities of Impressionism are diminished, but that a fairer and more "historical" assessment of their position is taking place. The affinities between the painting of the Barbizon masters and their Impressionist successors are striking, not so much in terms of technique as in terms of subject matter. It is worth recalling that Durand-Ruel dealt in pictures from both schools.

Collectors of Barbizon found no inconvenience in owning Impressionists. One who did so was J. F. Sutton, one of the founders of the American Art Association in 1877, and the entrepreneur who arranged for Durand-Ruel to send a huge exhibition of Impressionists to New York in 1886. He was also concerned with the famous loan exhibition held in New York in aid of the Barye monument of 1889-90, in which emphasis was placed on Delacroix, Corot and the Barbizon School. Sutton was especially keen on Monet and owned no fewer than 12 pictures by this master.

Just as Americans were among the first to appreciate the virtues of J. F. Millet, so they were among the earliest to champion Monet. He became something of a cult hero for American painters and writers: those who defended his art included Lila Cabot Perry, Desmond Fitzgerald and Theodore Robinson. Monet's influence on American painting was powerful.

Some account of the opinions of American enthusiasts for Monet, as well as those of other critics, may be found in Steven Z. Levine's *Monet and his Critics*, one of a series of academic dissertations published by Garland, of New York and London. I can thoroughly recommend this intelligent and thorough survey to those who are fascinated by the changing theories that can be entertained about an artist's work. Monet's art provoked considerable discussion and, as Mr. Levine points out, much of this centred on the question as to whether or not his paintings were "finished."

Different interpretations continue to be made about Monet's painting. He has been hailed as a herald of American abstract expression and recently Professor Joseph Sloane suggested that the celebrated pictures of water lilies in the Orangerie in Paris should be interpreted as latter-day history paintings, finding support for his thesis in the writings of the artist's close friend, the statesman Clemenceau.

The exhibition of Monet's pictures now at the Acquavella Galleries, New York (in aid of the New York Hospital), proves that room for speculation about this master's contribution exists. The interpretation of his art has often been conditioned by Cézanne's well-known remark that Monet was "only an eye, but what an eye." Monet had an astonishing gift for rendering a visual impression, but the more his work is studied, the more it may be considered to reflect a complex and even tortuous mind.

Like many of the Impressionists, Monet has been the subject of hagiography. It is only with the recent publication of the first volume of Daniel Wildenstein's major book on this artist that Monet's personality can be seen in the round. This volume provides details about his relationship with Mme. Hoschedé, whom he later married, and of his family background. Monet never ceased painting but he did so against considerable difficulties not only of an economic but, what is more important, of an emotional nature, and in later years he suffered from his eyes.

The exhibition present a well-balanced survey of the master's work, though none of the cathedral series is included. One problem raised is the extent to which Monet's rendering of an impression was more than a retinal reaction. There is a good deal of mood in his pictures. He was not so much a precursor of abstract expressionism as of one with an emotional content.

The violence of Monet's brush strokes and the twisting movement seen in his flower paintings or the stormy scenes off the French coast seem to betray an intense inner struggle, and perhaps it is not going too far to observe a sexual character in such work. Until the concluding volumes of Daniel Wildenstein's biography are published we are rather in the dark about Monet's later years.

This show is a reminder that Monet was one of the titanic forces of the nineteenth century. His views of the Gare Saint-Lazare show that for him, as for Tolstoy, railway stations possessed magical properties. The compulsive flowing movement of his brush strokes and even the art nouveau element in his design relate him to another *maestro* of the period, Rodin.

Just as did Rodin, he owed more to the 18th century than is often grasped. One of the most enchanting pictures on view is the 1873 view of the artist's garden at Argenteuil. If the roses in this painting are compared with the flowers in some of the pictures by Boucher and Fragonard in the Frick Collection, the continuity of French painting is stressed.

Monet was a man of mystery. He could revel in the delights of the countryside or a domestic scene and also sound deeper notes. In the *Palazzo Mula, Venice* he evokes something of the mystery that Henry James caught in *The Aspern Papers*. Charles Fitzgerald, the alert critic of the New York Sun (who is not mentioned in Mr. Levine's book) wrote of the Monet show held at Durand-Ruel's in New York in 1902: "Satisfaction in [M]onet will always waver and [ch]ange with our moods. Sometimes his work may only irritate or at best fail to satisfy but it can never really fail to arouse interest." These words hold good.

Monet: La Gare Saint-Lazare, vue extérieure

Elizabeth Hall

Frank Martin

by RONALD CRICHTON

By accident or planning, overlapping with the Wigmore Hall's Swiss Week, but unconnected with it, the Thames Chamber Orchestra on Saturday evening gave the first British performance of the last work composed by Frank Martin, who died almost exactly two years ago, full of years but active to the end. His chamber cantata *Et la vie l'emporta* (And life won the day) uses texts from various sources. They comprise a prayer for strength in the face of death, a verse from a chorale by Luther describing life's vanquishing of death by means of the spirit, and an optimistic homily on the beauty of life. The words evidently encouraged the composer to fight against a severe illness and against the effects of a serious accident, both of which temporarily incapacitated him. In fact he did not quite finish the orchestration, completed after his death by Bernard Reichel.

The result of such positive affirmation from an old, sick man is moving out of proportion to the modest forces employed and the unemphatic style. Martin in his last years maintained intact his fine ear for sober but precisely "heard" colours and sonorities. The small orchestra includes organ, harp and harpsichord (with touches recalling the *Petite symphonie concertante*). The quiet strokes fell. There was a striking passage in the third movement for organ, low flute and trumpet. Later in the same movement Martin uses the familiar effect of two oboes duetting, but says something new with it. The combat between life and death is depicted with economy but resource by two small, antiphonal groups. The chorale writing, conceived for the vocal ensemble of Michel Corboz, is plain but effective.

Michael Dobson conducted. The performance was carefully prepared, filled with understanding, a little imprecise in attack. Praise to the Thames Choir for unusually good French words. The soloists, though the sympathetic alto, Anne Mason, projected less firmly than her baritone colleague, David Wilson-Johnson, also did justice to the text. The first half further included a jolly Handel Concerto Grosso in F, and Mozart's *Regina coeli* K127 (soloist Felicity Lott), this last short of the brilliance it requires. There was more buoyant playing and singing in the Haydn St. Nicholas Mass, given under Nicholas Cleobury after the interval. Here Miss Lott was joined by the two soloists heard in the Martin cantata and by a sensitive tenor, Richard Morton. The remarkable "Crucifixus" was exceptionally well sung.

Albert Hall

Hungarian State SO

The Albert Hall was the home this week-end of visiting orchestras. On Sunday evening it was the turn of the Hungarian State Symphony Orchestra under their Artistic-Director and Chief Conductor János Ferencsik, to play a programme of Beethoven (*Egmont* and the sixth symphony) and Liszt (*Les Préludes* and the A major piano concerto—this last an infuriating clash with Martha Argerich's performance of the Liszt E flat concerto on the South Bank at precisely the same time).

The star of the evening was the young Hungarian pianist Dezső Ránki—whose effortless playing of the concerto, bright with crystalline articulation, brilliant with blitz-octaves, was technically most impressive. It was not, on the other hand, musically as lush a performance as it might have been: restrained perhaps by Mr. Ferencsik's reluctance to allow the highest moments of melodrama, even those which cried out for deft, sensuous shaping, anything but the most brisk and straightforward treatment.

Straightforward too, though more bland than brisk, was the Hungarians' account of Beethoven's Sixth. They are a civilised orchestra, blessed with strings neither very full nor very rich, but of gentle, creamy tone; an agreeable, lively woodwind section; and true, warm brass. But the Sixth seemed an odd, unadventurous choice of visiting-card. We hear too many performances of it in London already—and most of them indeed more vivid, and more finely shaped, than this unexceptionable but wholly uneventful performance. Bartók or some rare Kodály would have been more predictably to the point; but why not, for goodness' sake, one of the dozens of excellent new orchestral works by living Hungarian composers, which really deserve a western premiere?

DOMINIC GILL

Elizabeth Hall

John Browning

Perhaps it is merely being fanciful to see traces of national character in a particular piano style, but after John Browning's recital on Sunday afternoon the impression remains that he is quite definitely an American musician. That impression was due above all to the casualness of his manner, and by that I do not mean to suggest that his performances were slapdash or ill considered, for most certainly they were not. Rather his playing was completely calm and confident, enlivened by a suppleness of rhythm which gave the effect of insouciance.

Such a mode of interpretation was for different reasons well suited to both the composers represented in his programme, Schubert and Ravel. Schubert's late A major Sonata could benefit from an approach which did not labour its expressive potential, nor strive to counteract its prolixity. Choice moments were accepted with pleasure but not overplayed, and the sonata was allowed to proceed at its own pace, taking on something of the appearance of a marvellous improvisation.

In turning to Ravel, Browning adjusted his seemingly spontaneous, flexible style in order to take account of the composer's irony; his casualness became more calculated. That made it possible for him to bring out the acid hint of flippancy which lies behind Ravel's borrowing of obsolete forms and figures in the *Sonatine*. The pseudo-classical sonata movement which opens that work was done with a dash of gaiety, and there was a still more carefree brilliance in the finale. Moreover, throughout his performance Browning managed to let the music move without masking its tightly composed artificiality.

It may be that he was trying to find something of the same objectivity when he went on to the *Gaspard de la nuit* suite, but, whether for that reason or not, the imaginative fantasy of the work eluded him. He showed the stamina and the technique necessary to project the flamboyance of "Ondine" and "Scarbo," though there were a few imperfections. What was missing in these pieces, however, was the range of colour and shape required to make them something more than show pieces. And that sort of atmospheric detail was most crucially lacking in "Le gibet," whose muffled tolling signified nothing very terrible in this performance.

PAUL GRIFFITHS

Sherman, Cardiff

The Breakers by GARRY O'CONNOR

Gwyn Thomas's new play has an unusual dimension—length. Three acts each nearly an hour long carry it volubly and picturesquely through the give and take of Welsh-American history from 1776 to the present day, in giant, hundred-year strides. The first shows the newly immigrant Bowens setting up Patience House in the rear of Washington's army, paid for out of misappropriated funds diverted from guns into liquor and harlotry; and thereby corrupting the puritan zeal of the new patriots. This is good enough reason for John Bowen's near patricidal onslaught on his publican father.

A hundred years on, the new republic has soured, at least for the Bowens, and the Bowen boys have declined into a disaffected crew of miners and hired hands, stirring up industrial trouble, and scheming to scupper a rich fellow Welsh immigrant, Sam Williams, who wants to exploit their excavatory prowess on a seam of new coal. Sam's wife scuttles their plan and one of the three, Ben, is sent scurrying back on the transatlantic run with the till takings from what is now called The Bowen House. Once again settled in Wales, Ben sires a pioneer trades unionist, Lord Alfred Bowen.

The wheel turns yet again, and Lord Alfred's son, a bookie, has tarnished the family honour by dubious practices on the course. The last act has two of the bookie's children, one an eminent urinologist, the other a television programme maker, about to embark on more flights abroad. Among the stay-at-homes are an anti-pornographer, Welsh Nationalist, a librarian, and a builder who has perfected the art of corrupting Labour councillors ("I've squared a few," he says mildly, "they're very cheap on the whole").

The final act is by far the wittiest, best written and most shrewdly observed: as a balanced and indeed *fair* picture of a middle-class family with an undercurrent of poetry and backbiting reaching into the Welsh soul, it must be hard to rival. The tale of "transatlantic gipsies" comes fittingly to rest around the dusty portrait of a famous ancestor in transit from attic to public library.

In the previous acts, I found it harder to relax fully with Mr. Thomas's rich and pithy encomiums to the Welsh character, among swashbuckling antics of the War of Independence, or the later more general War of Greed. Shades of Fluellen haunt the battlefield, but the wizardry of words failed to conjure up the dark outlines of the tents themselves.

A cast of seven create fine contrasts with the 21 parts. Among them Jack Walters, Ruth Madoc, and Anthony O'Donnell can be singled out for notice, but the others are hardly less good. Michael Geliot directs.

Festival Hall

The Three-Cornered Hat

Manuel de Falla was born on November 23, 1876. Although his centenary is not being celebrated in London in any notably adventurous fashion, one or two smaller manifestations of worth indicate that the occasion has not been entirely ignored. On level 5 at the Festival Hall there is a fascinating Falla exhibition: Chester Music has just published a *Descriptive catalogue*, by Ronald Crichton, that promises to become an indispensible source-reference; and last night the London Symphony Orchestra, under the Mexican conductor Eduardo Mata, gave a complete performance of *The Three-Cornered Hat*.

The popular suites drawn from this marvellous ballet score do it something of a disservice. Without the complete unfolding of the action, and the musical "filling" between the main numbers, only the big tunes stand out in their bold, brilliant colours—not the innumerable dry and salty strokes of narrative, the immense verve in the dramatic timing, the humour—was this really the composer of whom Stravinsky wrote, "His nature was the least sensible [I have ever known] to manifestations of humour"? In this first-rate performance with its emphasis on the solid, sharply inventive rhythmic framework built of Spanish materials rather than on intrusively flashy phrasing or alien polish in the instrumental timbres (though the playing was always bright of tone and keen of mettle in the best LSO manner) the variety of the score seemed cornucopian. Alfreda Hodgson, offstage, was the surprisingly sultry mezzo-soprano.

This was memorable. (Mr. Mata must be invited back to give us more Falla, or perhaps music by his teacher Chavez, misspelled in the programme—priced at 25p with verbosely unhelpful programme notes—as Cavez.) Equally memorable, for rather different reasons, was the way Martha Argerich came on earlier to unleash the Liszt E flat Piano Concerto. It was a partly volcanic, partly calm reading, held together and also strained to the utmost by Miss Argerich's natural splendour of technique, at once wild and immensely authoritative. She is not the easiest of pianists to accompany.

With these two vivid musical events to stay in the memory, the opening, a scratchy, under-rehearsed *Jupiter* Symphony, will be dislodged from it without difficulty.

MAX LOPPERT

EEC avoids targets for 1977 monetary growth

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT — BRUSSELS, Nov. 22.

EEC FINANCE Ministers to-day approved a broad set of guidelines governing national economic policies to be pursued by the Nine next year, but decided against a proposal that they should lay down specific targets for monetary growth. This decision was attributed by officials to a general feeling that current uncertainties about the outlook for the world economy, and the expected rise in oil prices, made it difficult to make any firm projections on the course of monetary policy in 1977.

It was also decided to-day that the 1977 inflation target of 11 per cent., recommended for the U.K. in the draft, would be dropped from the final version of the guidelines, presumably because it no longer appears attainable. But estimates putting next year's public sector borrowing requirement at £9bn., and the growth rate at 3 per cent., have been allowed to stand.

Meanwhile, further evidence that the U.K. is warming to the so-called Duisenberg Plan for limiting fluctuations of non-Snake EEC currencies has emerged in a speech made over the week-end by Dr. David Owen, Minister of State at the Foreign Office. Describing the Duisenberg approach as "the most promising line yet put forward for progress in this difficult area," Dr. Owen compares it favourably with previous attempts by the EEC to achieve economic and monetary union. However, he makes it clear that, in the U.K. view, the most useful immediate step would be the establishment of some special facility to deal with the sterling balances. "I believe now that there could be a role for the Community, with other countries, to play in tackling the problem of the reserve role of sterling," he said.

● Meanwhile, the Finance Ministers provisionally approved plans to-day for a new $500m. EEC borrowing on the European market. It would bear a floating interest rate initially, but would be consolidated later into a fixed-rate loan. Most of the money is intended to displace a $486m. loan to Italy which the U.K. has asked to be repaid by December 9. But the Ministers have agreed to await the outcome of Italy's current negotiations with the IMF, before giving final approval to the operation at their next meeting on December 20. According to Dr. Hans Apel, the West German Finance Minister, it was generally agreed that Italy's reserves were sufficient to cover repayment of the $486m., if the proceeds of the planned EEC borrowing were not immediately available.

● Reuter adds: EEC Farm Ministers began a two-day meeting here to-day resolved to hammer out a package of reforms for the European dairy industry, even if it means sitting all night, EEC officials said.

Public sector strikes in Italy

BY ANTHONY ROBINSON — ROME, Nov. 22.

AN ESTIMATED two million public sector workers in Government ministries, local and regional government, post and telegraph workers, hospital, school and university staff are due to strike to-morrow for 24 hours in support of their claims for a new labour contract with higher pay and improved conditions of work.

Airports, which have been badly affected by other strikes over the last week, will close for two hours between seven and nine in the morning, while railway workers will strike from 11 a.m. to 1 p.m. and engineering workers hold a one-hour token sympathy strike. Skeleton emergency services will be maintained by the hospitals.

This agitation in the public sector could not come at a worse time for the Government, which has made it clear that it cannot finance further pay rises although it is prepared for discussion on ways of improving productivity throughout this vast sector.

The Government's intention to stand firm is also related to its overall strategy of trying to reduce labour costs and the public sector deficit. Parliament is currently discussing the Government's 5,000bn. lire austerity package of higher taxes and tariffs which is both deflationary and inflationary in nature. Higher petrol taxes, for example, account for nearly half of the 3.4 per cent. rise in retail prices in October.

Against this inflationary background the Government has just proposed an amendment to its earlier proposals to block the automatic cost of living wage index for incomes of over 8m. lire. It now proposes instead a wage and salary freeze on such incomes and a 50 per cent. freeze on salaries between 6 and 8m. lire. The unions accepted the original proposal in principle but refused to accept the wage freeze.

The Government is due to meet Trade Union Confederation leaders to-morrow to discuss its latest proposals but it now seems likely that the problem will be handed over for discussion as part of the more general talks on productivity and labour costs. These negotiations are now taking place between the unions and the employers' federation, Confindustria. The next meeting is scheduled for Thursday.

Meanwhile Prime Minister Andreotti and Christian Democrat Party Secretary Benigno Zaccagnini have both come under fire from both right and left wings of their own party. Both wings, in different ways, criticise what they see as the Government's excessively close relations with the Communist Party, whose abstention is essential for the Government's survival, while the Left wing in particular has criticised the severity of the Government's austerity package.

Cordial welcome to Brezhnev in Romania

By Paul Lendvai — VIENNA, Nov. 22.

THE EXTREMELY cordial, lavish and noisy reception accorded to Mr. Leonid Brezhnev today in Bucharest, and the unprecedented publicity in the Soviet and Romanian media suggest that the two sides reached agreement, before the opening of formal talks to-day, on measures to improve relations.

Romania, hitherto criticised as deviating from Soviet-bloc unity, was reported to-day as willing to make what the Bucharest party newspaper called "a valuable contribution to the consolidation of cohesion and co-operation of the socialist countries and of the world communist movement."

The forthcoming talks should show whether the Romenians are now also willing to make substantial political concessions. So far, they have sent no troops to participate in Pact manoeuvres in other states; nor have they allowed foreign troops to stage manoeuvres on Romanian territory.

The Romanians have also been pressing for a rotation of the post of Warsaw Pact chief of staff among the various countries. The recent appointment of a Soviet general as chief of staff confirms that the USSR is firmly opposed to decentralisation of supreme decision-making. However, Mr. Brezhnev is keen to revive the structure of the Pact. Unlike its Nato counterpart, the Pact's political consultative committee has convened unfrequently, instead of meeting twice yearly as originally stipulated.

A couple of hours before Mr. Brezhnev's arrival, the Romanian President, Mr. Nicolae Ceausescu, pointedly received the U.S. Secretary of Commerce, Mr. Elliott Richardson, who yesterday signed a ten-year U.S.-Romanian economic agreement. Such symbolic gestures and the usual leaks from the Romanian side to Western journalists cannot change the fact, however, that Romania's bargaining position, both in the political and economic fields, has become considerably weaker regarding the Soviet Union.

OECD forecasts U.K. growth rate to rise from 1% to 2%

BY ROBERT MAUTHNER — PARIS, Nov. 22.

THE U.K.'s economic growth rate is expected to rise in 1977 to at least 2 per cent. from 1 per cent. this year in spite of an overall slowdown in the industrialised world's expansion, according to the latest forecasts of the OECD Secretariat.

The forecasts, which could still be revised before the end of the year, when they are due to be incorporated in the organisation's six-monthly Economic Outlook, were submitted by the Secretariat to-day to the OECD Economic Policy Committee, made up of high Treasury officials and Central bankers from the member countries.

The British representatives, it was understood, were in broad agreement with the organisation's predictions for the U.K., while American officials, too, had no quarrel with the forecast that U.S. growth next year would be down to about 5 per cent. in real terms from more than 6 per cent. in 1976.

The Secretariat's forecasts for West Germany and France, on the other hand, were questioned by senior officials from these two countries, who considered that they were much too low.

West Germany is officially expecting an increase of about 5 per cent. in GNP next year, only half a percentage point down from the 1976 figure, whereas the OECD is predicting a rise of no more than 3.5 per cent., with the decline continuing throughout the year. The official French growth forecast for 1977 is also much more optimistic that that of the OECD—4.8 per cent., compared with the international organisation's 3 per cent.

Given the large gap between the German and French Governmens' predictions and those of the secretariat, it is difficult to see how a compromise can be reached on the figures, which serve as a guideline for the OECD's economic policy recommendations.

For Japan, the Secretariat is forecasting an increase of between 6 and 7 per cent. next year, slightly higher than in 1976, while at the other end of the scale, Italy is expected to have no growth at all.

The projection for the OECD area as a whole is sharply downwards—less than 4 per cent. in 1977, as again 5 per cent. in the current year. And the most disquieting aspect of all the projections is that the decline next year will be progressive, with growth in the second half of 1977 sharply down on the first half in most of the member countries.

Notwithstanding the expected general slowdown in economic growth the OECD is predicting only a very moderate reduction in the area's rate of inflation, which is expected to decline, at the very most, by between one-half and one percentage point from its 1976 level at 7.5 to 8 per cent.

CSU beckoned back to the fold

BY NICHOLAS COLCHESTER — BONN, Nov. 22.

THE LEADERSHIP of the Christian Democratic Union, West Germany's conservative party, demanded to-day that its breakaway Right-wing, the Bavarian Christian Socialist Union headed by Franz Josef Strauss, give a "statutory and binding assurance" that it would rejoin the conservative union. Failing this, the CDU said, it would widen the area of its activities into Bavaria.

Asked what reaction was expected to this ultimatum, a spokesman of the CDU confided: "We expect none and are interested in none." The gulf between the former allies was clear in the fact that this decision was made known to the CSU only through the news agencies. It was through this medium that the CDU leader, Herr Helmut Kohl, first heard last Friday of the surprise decision of CSU MPs to break away from the CDU in Federal Parliament.

The praesidium of the CDU was asked by a unanimous CDU leadership to prepare contingency plans for the CDU's entry into Bavaria. These should then be ready for a decision by the whole party when it meets for a congress at the beginning of March.

The tone of the CDU's decision suggests that the party has recovered from its initial shock, has found the air cleared in some respects by the CSU's move, and is now ready to take a tough line and face up to the consequences.

The atmosphere within the CSU is very different. It is as though a large part of this party does not want or understand the baby to which last Friday's meeting gave birth. The party leadership in Munich, which claimed at first that the declaration of independence by a majority of CSU MPs did not need to be cleared by the party as a whole, to-night appeared to be climbing down on this.

FDP disrupts nuclear plans

BY ADRIAN DICKS — BONN, Nov. 22.

THE WEST GERMAN coalition Government's ambitious plans to build up the contribution of nuclear power to the country's future energy supply appear to be in some disarray, following the vote by the Free Democratic Party conference in Frankfurt over the weekend to put strict conditions on new reactor construction.

In itself, the FDP vote has no binding effect on the Government, or even on the four senior ministers who will continue to represent their party in Herr Helmut Schmidt's coalition Cabinet. As the two partners move into the final stages of negotiations over their policy programme for the next four years, the FDP leaders have insisted on a free hand.

However, they cannot ignore the strong feelings expressed in Frankfurt, while the vote itself was a sharp rebuff to the FDP leadership as a whole and to the Economics Minister, Herr Hans Friedrichs, in particular. He had unsuccessfully argued the case for the nuclear programme, pointing out that even though the latest projections for energy demand in 1985 are 10 per cent. below previous forecasts, there is likely to be a shortfall of about 6,000 megawatts because of technical delays alone in commissioning new nuclear stations.

Herr Friedrichs also warned that environmentalists would find an increased number of coal-burning power stations no more to their liking. Finally, he pleaded that the anti-nuclear lobby would endanger the long-term objective of a steady 4 per cent-plus rate of growth.

Aegean air talks to go on

BY OUR OWN CORRESPONDENT — ATHENS, Nov. 22.

GREECE, and Turkey have narrowed their differences on issues related to control of airspace over the Aegean Sea, but the complexity of the problems involved necessitates further negotiations.

This is the gist of a joint communique issued in Athens and Ankara to-day following three weeks of talks between Greek and Turkish delegations in Paris, the meeting having been the sixth in a series of unsuccessful talks on the subject.

The joint communique said that the two sides explained in detail their respective positions on exchange of information between Greece and Turkey, and on airforce exercises. As a step towards creating confidence in each other, they agreed to re-open the Larissa-Eski Sehir telephone line between the two civil aviation commanders.

Poll result spell gloon for Giscar

By David Curry — PARIS, Nov

THE RESULTS of the so[illegible] elections held in France the past three weeks hav[e con]firmed the electoral [illegible] towards the Socialists [and] appear likely to increase [Presi]dent Giscard d'Estaing's di[fficul]ties in managing the gove[rning] but increasingly divided [Con]servative-Centre coalition.

In two seats, the Rhon[e and] the Haute-Loire, the So[cialists] defeated the defending In[depen]dent Republican candi[dates] (members of Giscard's party) while, in a third Communist candidate [came] within 470 votes of uns[eating] another Independent Repu[blican] who was protecting a majority of 7,700. In the [other] seats, two Gaullists had al[ready] won absolute majorities in [last] week's first round of [voting] while Government-backed [candi]dates of the Centre won [in the] second round in the rema[ining] two seats.

The Government's scor[e of] five out of seven in a mid[-term] election at the time of r[estric]tive economic measures, persistently high inflation [and] unemployment is far [from] disastrous. But the [vote] reveals trends which look [un]comfortable for the coal[ition] and in particular for the [Inde]pendent Republicans in [the] run-up to the 1978 ge[neral] election.

U.S. mission notes East-West progres

By Paul Betts

AT THE end of a two-week [tour] of 18 west European coun[tries] to assess the degree of pro[gress] achieved under the 1975 Hel[sinki] Agreement, members of a Congressional Commission [on] Security and Co-operation [in] Europe have concluded tha[t the] 35-nation agreement is begi[nning] to have a productive, th[ough] still limited, affect on the [im]provement of east-west relat[ions].

In a joint statement issue[d in] London yesterday, the members of the Commission [said] that the accord was sho[wing] "significance as an instru[ment] for opening long-closed doo[rs to] the two-way flow of pe[ople,] commerce and informa[tion."] They stressed, however, that [the] potential of the accord exce[eds] by a long margin the real [pro]gress.

One of the chief aims of [the] mission was to prepare [an] evaluation of progress, for [the] review conference on Co-op[era]tion and Security in Europ[e to] be held in Belgrade next [year].

OPEC denial of 20% price rise

VIENNA, Nov.

THE ORGANISATION of P[etrol]eum-Exporting Countries o[fficial]ly denied to-day that [its] economic commission will [be] recommending a 20 per cent price increa seot a minist[erial] meeting next month. OP[EC's] economic commission met [here] last week to hammer ou[t a] proposal for a new oil pric[e to] be fixed by Ministers at t[he] meeting scheduled for Decem[ber] 15 in Qatar.

UPI

The Financial Times, published daily except Sundays and holidays. U.S. subscription $167.00 (air freight) $334.00 (air mail) per annum. Second class postage paid at New York, N.Y.

هكذا من الاصل

SOVIET TOURISM

One-way traffic

BY DAVID LASCELLES, EAST EUROPE CORRESPONDENT

EW FIGURES for tourism have ıite such a political flavour as e Soviet. And the latest batch dicates that while the Russians e doing everything they can implement Basket Three of e Helsinki Agreement by letıg people into their country, it still a different matter when comes to letting them out.

As the table, compiled from atements by the chief adminiator of Soviet tourism, Mr. S. kitin, shows, the Soviet Union s increased its tourist intake close on a million people er the last two years. A lot this was accounted for by cialist countries and the deloping world. But there was o an increase from the West.

On the other hand, the outflow tourists rose by under half a llion to a figure which indies that Moscow still only ows out two people for every ee who come in. And most the departures are for ialist countries: the increase the West has been only 100,000 ce 1973, and the total is still y half a million a year out a population of 250m.

Except for Japan (for sons not explained), western intries dispatch on average ee times as many tourists to Soviet Union as they receive. is imbalance is striking in the e of the U.S.; and even more of the Finns, who pour into ningrad in their thousands to ape their tough drink laws.

The Russians tacitly acknowge this imbalance (if they not, they would conceal the ires), and offer several exnations.

They say they are trying to imve the flow. Since numbers rising, this is undeniable, and the 1976 figures, when they appear, should give a clearer picture of their post-Helsinki efforts.

Then there is the problem of money and the rising cost of travel in the West. For a country with the Soviet Union's balance of payments difficulties, this is clearly a worry, though it has often been argued in the West that if the Russians were genuinely interested in sending people abroad, they could use some of their enormous earnings from incoming tourists to do it.

And finally, there is the problem of visas. The Russians claim it can take up to a month to obtain a western visa, while they issue them in a matter of days. Although western governments deny undue delays, they are vulnerable on this point, especially since the Helsinki Agreement obliged them to speed things up.

The British case is that visas are invariably issued within 14 days. But they stress that since Britain is not a police state, security vetting must be done at the visa application stage, and this takes time. The recent "visa war" with Russia is dismissed as an invention by the media.

Statistics do not, of course, tell the whole story. Western tourists who visit the Soviet Union can do so without permission from their own Governments (except in the case of officials in sensitive positions); they finance their travel themselves; and once in the Soviet Union they are not allowed to depart from the official itinerary.

Russian tourists, on the other hand, travel abroad as a privilege, often granted for good work and therefore at state expense. They invariably move about in tightly-knit groups, and only have such hard currency as they are given. Individual travel abroad, particularly to the West, is rare and immensely expensive.

This attitude towards foreign travel does not have its roots in Bolshevism. Russians have historically looked upon the act of leaving their country as alien, treacherous even.

In view of the security risks involved, it is still remarkable that the Russians decided to build up a tourist industry. But it is now a major feature of the economy, handled by what must be the world's largest tourist agency, Intourist, with its headquarters in a grandiose period building close to Red Square.

Tourism is thought to earn the Soviet Union some $200m. a year in hard currency, only a small part of which is ploughed back into the industry, since most of the cost of running it can be borne in roubles.

However, with the 1980 Olympics in view, a large development programme has started which will involve much hard currency expenditure. Up to 40,000 hotel beds will be provided in the next five years, airports enlarged and catering facilities improved. And it has been predicted the arrivals from the West will double.

VISITORS TO AND FROM PRINCIPAL WESTERN COUNTRIES IN 1975
'000

	Visits to the USSR	Journeys from the USSR
Finland	612.1	88.7
West Germany	117.2	57.6
U.S.A.	98.7	13.7
France	73.1	40.2
Britain	58.4	30.5
Italy	48.9	39.7
Japan	47.8	93.2
Sweden	40.9	32.4
Switzerland	76.1	7.5
Total	1,113.2	403.5

SOVIET TOURISM STATISTICS
m.

	1973	1975
Arrivals	2.9	3.7
—from socialist countries	1.6	2.1
—from the West	1.0	1.2
—from Third World	0.3	0.4
Departures	2.1	2.5
—to socialist countries	1.2	1.5
—to the West	0.4	0.5
—to the Third World	0.5	0.5

Danish oil lorry strike

BY HILARY BARNES COPENHAGEN, Nov. 22

NMARK is threatened with a iplete traffic stoppage as a ilt of unofficial strike action oil lorry drivers. The strike an at Copenhagen Airport before the weekend and has spread all over the country.

etrol stations in the Copenen area, and in other parts the country, are already runz short as motorists rush to up. If the strike is not settled ckly, it will also cause indusl stoppages. District heating ılso threatened in some areas.

The strike by the lorry drivers only one of several unofficial ions which have rocked the mal stability of the labour rket here. Last month, cement ry drivers brought building and construction to a halt for several days, and milk lorry drivers, now in the 11th day of a strike, have disrupted milk supplies.

The strikes, which are over pay demands, stem from the Government's incomes policy for 1977 and 1978, which aims to keep incomes from rising by more than 6 per cent a year. The key to the success of this policy is the collective wage bargaining for new, two-year agreements, which are due for conclusion in the spring. The unofficial strike action is intended to pre-empt the incomes policy by obtaining substantial wage increases before it takes effect.

Spanish referendum date

MADRID, Nov. 22.

A NATIONAL referendum in Spain on political reform will be held on December 15, and will simply ask voters whether they approve of the Government's plan for a freely elected Parliament, the official television service reported to-night. Interior Minister, Sr. Rodolfo Martin Villa, was to explain to-morrow the details of the referendum, the report said.

● Roger Matthews adds: Five members of the Spanish Communist Party were arrested in Madrid to-day as the organisation stepped up its pressure to be legalised with a week-long programme of meetings, coupled with a drive to attract new members. For the first time since the end of the Civil War, party workers were given membership cards, an open offer to the regime to detain many more people.

The five were arrested by police while handing out leaflets at an underground railway station. They include the Italian-born wife of Sr. Nicolas Cartorios, a noted leader of the Communist-dominated labour union, the Workers' Commissions.

The Communist Party is already having problems with its traditional enemies to the Left. Two groups have now split from the Workers' Commissions, accusing the Communist leadership of pursuing "revisionist" policies, and betraying the interests of the working class. An added reason for the split is that the Communists have been back-pedalling on the idea of a single trade union in Spain.

Carter and Simon in talks on NY financial crisis

BY JAY PALMER — NEW YORK, Nov. 22.

JIMMY CARTER may soon be called upon to live up to his recent election pledge that he, unlike President Ford, would not tell New York City to "drop dead."

New York City Mayor Abraham Beame this morning said that the President-elect had promised to discuss this city's renewed financial crisis at his planned meeting to-day with Treasury Secretary William Simon.

One particularly critical point of discussion is likely to be the Treasury's legal obligation not to advance any further Federal Government aid to New York "unless there continues to be a reasonable chance of repayment." At the moment the regular Federal Aid to New York's municipal treasury is the only thing standing in the way of bankruptcy as New York has already drawn $1.3bn. of the total $2.3bn. it is due to receive this fiscal year.

This latest city crisis was sparked off last Friday when the New York State Appeals Court ruled that the city's late 1975 moratorium on capital repayment and interest of debt was "unconstitutional." The ruling was clearly made on the basis of state law, leaving little or no grounds for appeal to the U.S. Supreme Court.

The debt moratorium crucial to New York City's last desperate attempt to end its recurrent fiscal crises. It basically affected a total of over $5bn. of outstanding short-term city debt. About $1.6bn. of this was held by small investors, the remainder by large institutions.

To-day Mayor Beame pledged that any solution to this latest crisis would not involve either higher city taxes or any drastic cut in city services. This was interpreted to mean that the city will either attempt to persuade banks and pension funds to buy the debt for long-term holding or try to get massive new bouts of federal aid.

The extent to which Mr. Carter will be willing to increase aid to the city remains in doubt. Although elected partly on the basis of his promised commitment to financially hard-pressed urban areas, Mr. Carter will clearly remain aware that helping New York would leave him open to requests from many other troubled cities.

World Bank loan policies criticised

By Jurek Martin

WASHINGTON, Nov. 22.

THE OUTGOING Japanese director of the World Bank has unburdened himself of a sharp critique of the organisation's lending philosophies and practical acievements.

The "farewell statement" of Mr. Taro Hori on the surface resembles some of the criticisms launched at Mr. Robert McNamara's stewardship of the World Bank by U.S. officials.

Mr. Hori has been Japanese executive director for the last 3½ years. He stressed that he cared very much for the institution but was concerned about its current status and future direction.

In particular, he questioned the soundness of some of its financial practices, implying that there was too great an emphasis on loan volume and not enough on the quality.

This is very much what the American Treasury under Mr. William Simon has been maintaining for some time.

Mr. Hori praised Mr. McNamara for having been in the vanguard of those who had identified population control as being a critical problem for the developing world, but questioned whether the bank had done enough to get the message across and practically implemented.

On a more philosophical note, he also wondered whether the bank's staff, largely peopled by experts from the major industrialised Western nations, fully understood the psychological problems of the emerging recipient nations.

Ford cabinet members brief President-elect

BY JUREK MARTIN, U.S. EDITOR — WASHINGTON, Nov. 22.

CABINET members of the Ford Administration crossed the road from the White House this morning to brief Mr. Jimmy Carter, the President-elect, on their various responsibilities.

Later this afternoon Mr. Carter is due to meet President Ford in the White House, the first meeting between the two men since their climactic televised debate a month ago.

Little of substance emerged from the morning's round of meetings at Blair House, the official Government residence often used to house visiting Heads of State. Mr. James Lynn, the Budget Director, said that Mr. Carter had not given any indication of what he was going to do with the budget. "Frankly," Mr. Lynn added, "I thought at this point he would do so."

Mr. Carter also talked to Mr. Donald Rumsfeld, the Defence Secretary, and members of the National Security Agency and later to-day will see both Mr. Simon, the Treasury Secretary, and Dr. Arthur Burns, chairman of the Fed.

The confrontation with Dr. Burns is unlikely to be as sharp as appeared likely only two weeks ago, when Dr. Burns, perhaps spurred by Mr. Carter's campaign criticisms of him, delivered a homily before a Congressional Committee on the dangers of fiscal irresponsibility.

Since then, Dr. Burns has been bending over backwards to deny that he was issuing a warning to Mr. Carter. The Fed's lowering of the discount rate last Friday may even be seen by some of Mr. Carter's advisers as an earnest of Dr. Burns' promise to be as co-operative with the new Administration as possible.

AMC to pay $1.1m. fine

BY JAY PALMER — NEW YORK, Nov. 22.

AMERICAN MOTORS has agreed to pay a fine of $1.1m. to a Californian State agency to end its year-long legal battle over alleged infringement of the tough local pollution standards.

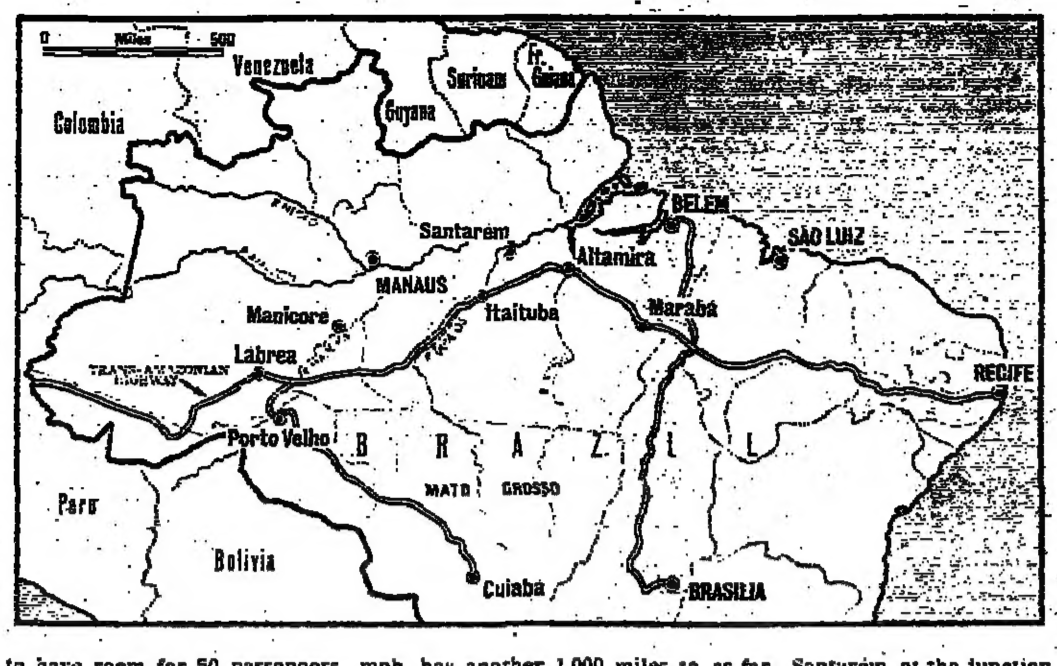
The preliminary settlement between AMC and the Californian Air Resources Board (ARB) apparently bans the State agency from continuing its legal attempts to collect an earlier fine of $4.3m. levied against the company.

The original battle dates back to January when the ARB accused the company of knowingly selling cars in the State which exceeded exhaust emission standards.

The accusations were derived from California regulations demanding that the makers of vehicles sold in the State give every car shipped to the State a quick "tail pipe" test to see that it conforms with local limits.

In his third and last article, **David White, Brazil Correspondent,** describes travels in the hinterland of that country.

Pages from an Amazon diary



FROM PORTO VELHO, 80 miles from the Bolivian border, to Manaus in the heart of Brazilian Amazonia takes four days down river and another eight for anyone who wants to come back. The only way of finding a passage is by clambering down the mud bank of the Madeira River and asking from boat to boat. Officially, you can find out from the harbourmaster's office in town, but on Monday nobody there knew which boats might be sailing that week, and on Wednesday there was nobody there at all.

The harbour at Porto Velho is an enclave of wooden shacks and strong-smelling food stalls, an entrenched community with its back turned on the bustling growth of the town. Behind the town, with its sprawling one-storey houses laid out along rectilinear streets, runs a dirt road to Mato Grosso and on into southern Brazil. From there, stubble-chinned farmers with broad-brimmed straw hats and trilled "r's," their children's blond curls betraying recent European ancestry, pile in by the truckload in search of cheap land, swelling the squalid townships on the roadside.

The river people are different—smaller and darker, with the straight black hair of *caboclos*, the part-Indian backwoodsmen—and they keep themselves to themselves. By reputation, the port is not a good place to go at night.

* * *

River travel is cheap—the journey to Manaus cost £15 first class, which means the smaller upper deck, including food. But the wooden boats are often overloaded and operate in dubious legality. The only registered passenger line in the Amazon, Enasa, runs between Manaus and the ocean port of Belém, with two boats. It used to have five, but two were wrecked and a third sold for scrap. The rest of the world's largest river network is run by freelance boatmen. The service is competitive, crowded and essential—often the only way to bring food and medicine to outlying settlements.

* * *

The river route from Porto Velho was once meant to be an export corridor for Bolivia. In 1907 Brazil started building a railway from here 230 miles through the jungle, in a deal which gave Brazil the rubber region of Acre at a cost of one life for every 65 yards of track. The railway is now disused, and its No. 12 engine, "Colonel Church," built in Philadelphia, stands guard outside the officers' club of the 5th Engineering Battalion.

The Cidade de Borba claimed to have room for 50 passengers, squeezed in rows of hammocks, men on one side, women on the other (you have to take your own hammock, and a blanket: the open air gets pretty cold at night). There was as much food as anybody wanted, which after a few days on a uniform diet of fish, rice, beans, and toasted manioc flour was not much; and a magnificent shower, consisting of a stoppered pipe attached to a rain catchment tank on the roof. Unluckily, this was during the two months of the year when it hardly rains.

As far as Manicore, 200 miles downstream, we zig-zagged between tiny riverside settlements, loading and unloading passengers with baskets of manioc, fish or fruit, carried down the slippery bank or paddled out in leaky canoes. The boatman took payment in goods as readily as cash—bananas, slabs of fish, and on one occasion a pair of turtles. By day it became monotonous, the only amusement being gin rummy, played for dirty cruzeiro notes on the engine hatch. This game was a picture of the racial melting-pot Brazil boasts of being, and sometimes fails to be: in a group of four, a black mechanic, two half-Indian crew, of whom one was obviously part-negro, and a white merchant from Manicore, who appeared to be losing.

* * *

At Manicoré, on a cliff above a bend in the river, with one main street, an enormous church and a dingy schoolhouse, a change of boat: not the one that was expected, but it did the rest of the journey in double-quick time, into the "river-sea" of the Amazon, which, at a portly 1½ mph, has another 1,000 miles to go before it reaches the ocean, and the black waters of the Rio Negro, running alongside the mud-brown Amazon like an interchangeable typewriter ribbon. And then at Manaus, in the shape of its floating harbour, packed with boats and swarming with the familiar black *urubús*, rather dopey scavenger birds, we were finally welcomed by a reminder of late-Victorian England. But the turn-of-the-century ironwork fancifulness of Manaus, capital of Brazil's short-lived rubber boom, is gradually being overshadowed by tall modern blocks.

* * *

Life on the Amazon and its tributaries is declining as towns grow and new roads advance. Ten years ago there was a far better boat service on the rivers than there is now—and many argue a better transport system. But places like Manaus were completely inaccessible by land. In the last six years, the road-building programme has cut almost 9,000 miles through the Amazon. The famous Transamazonian Highway, which will stretch over 3,000 miles, is completed most of the way (to Lábrea, north of Porto Velho), although work on the second east-west route, the Northern Perimeter Road, on the other side of the Amazon, is all but paralysed.

Higher-priority routes have been opened up to bring the Amazon in touch with the developed south. But road travel is still a tough business. It is possible, for instance, to drive a lorry from Manaus to the next big town downstream, Santarém. It is 380 miles as the urubu flies: by road it would be three times as far. Santarém, at the junction of the blue River Tapajós with the Amazon, is one of Brazil's prettier places, a neat, shaded town with a riverside promenade, sandy beaches used by fishermen, and good-looking women who far outnumber their menfolk. The town stands at the northern end of a 1,000-mile road from Cuiabá. Before the road was opened, it boasted 10 taxis; a year later there were 700.

The town is booming, not just because of the road, but becau[...] of a minor gold rush on [...] Tapajós river. About a t[...] gold a year passes through [...] town, as do dozens of hope[...] some armed with gravel-pu[...] others just with pans, on [...] way upriver, where they [...] exposed to the dangers [...] malaria and each other. T[...] town of Itaituba, where [...] Transamazonian traffic goes [...] ferry across the Tapajós, w[...] bars selling beer at 50p, is one [...] the most expensive places [...] earth. From here east there [...] the busiest part of the highwa[...] between 80 and 150 vehicles p[...] each day, including buses. [...] experience, I can say that m[...] of them break down.

* * *

The most striking feature [...] road travel in the Amazon [...] dust, which smothers everythi[...] and often makes drivi[...] perilous. Much of the way, t[...] road makes a sad landscape, [...] forest burnt down on either si[...] the settlers' huts often crude a[...] shoddy. In the towns, too, [...] find many mud, wood and pal[...] leaf constructions, breedi[...] grounds for parasites. Wh[...] happens, I asked a househol[...] in Santarém, when it rains ha[...] "It falls down."

Fish no longer is the ba[...] protein—from the hand-si[...] and ill-reputed *piranha* to [...] giant *pirarucú*, which they [...] grows up to 15 feet—but strin[...] barbecued beef, the diet of n[...] comers.

PLO plans to open office in Washington

BY DAVID BELL — WASHINGTON, Nov. 22.

THE PALESTINE Liberation Organisation is planning to open an office in Washington shortly in a move which underscores one of the most difficult foreign policy problems facing the incoming Carter Administration.

Although the PLO has been severely weakened in the past few months by the fighting in Lebanon, Mr. Carter's foreign policy aides fully appreciate that there is not likely to be any progress towards a settlement unless some way can be found of accommodating the Palestinians.

But they also recognise that Mr. Carter made much of his commitment to Israel during the election campaign and that the Israelis appear as adamant as ever that they will not talk to the Palestinians as long as they persist in their views about the existence of the state of Israel. They concede that it will require considerable diplomatic skill to find a compromise.

The PLO's decision to open a new office coincides with a burst of Arab activity which has made Israeli diplomats here very suspicious and is apparently designed to influence the incoming Administration. A number of Senators and Congressmen have seen President Sadat in Cairo in recent weeks and all have informed the State Department that both Egypt and Syria appear willing to take part in new Geneva talks—"without pre-conditions."

Sen. James Abourezk, the only senator of Arab extraction, for instance spent an hour with President Sadat and also saw King Khalid of Saudi Arabia. He said in an interview on Friday that the Arabs were still determined not to go to Geneva without the Palestinians but that they might be prepared to compromise and go as one omnibus delegation. This might blunt Israeli objections to talks with the Palestinians as a separate bloc.

Mr. Abourezk said that the moderates appeared very much in the ascendancy at the moment and that Mr. Sadat had told him that the new Carter Administration has about six to eight months to come up with a workable new initiative. He said that the Arabs were apparently still sticking to their view that the Israelis should give up territory occupied since the 1967 war but that the precise details of this, and every other demand, were open to negotiation.

Palestinian sources in both New York and Washington say that they have no reason to believe that the new administration will be any more friendly towards the PLO than the outgoing one, which banned all official contacts. There have been intermittent suggestions that Dr. Kissinger did have highly secret and unofficial talks with the PLO but these have never been confirmed. A PLO spokesman said to-day that his organisation has made no overtures to the new administration.

Poll date for Jamaica

BY CANUTE JAMES — MONTEGO BAY, Nov. 22.

GENERAL ELECTIONS are to be held on December 15, Jamaican Prime Minister Michael Manley announced here last night.

The Prime Minister told a 120,000 crowd in this North coast tourist resort that nomination day will be November 29, and that Parliament will be prorogued to-morrow after a special sitting.

It is expected that this sitting will approve new constituencies and electoral boundaries, bringing to 60 the number of seats in the new Parliament, an increase of seven seats.

The ruling Peoples National Party (PNP) now has 35 seats in Parliament, with the opposition Jamaica Labour Party (JLP) having 15. There are two independent members and one seat is vacant.

In announcing the elections, the Prime Minister said that if re-elected, the PNP intended to continue programmes under its philosophy of democratic socialism on which the party was founded in the late 1930s.

Earlier yesterday, the Prime Minister presented his party's election manifesto, which is aimed at bolstering the island's economy.

The JLP, led by a former Finance Minister, Edward Seaga, is campaigning under the banner of "nationalism." The opposition party has not, however, yet presented its manifesto to explain the principles of its philosophy. However, a spokesman for the party said last night that the JLP was ready for the elections.

The elections have been called just ten weeks before the end of the PNP's five-year term in office and five and a half months before they would be constitutionally due.

They will also be held under the state of public emergency which was declared here in mid-June to allow the security forces to fight a wave of organised crime and violence which claimed 163 lives in the first six months of this year.

Just over 800,000 voters of a total population of 2m. will be voting in the elections.

Israel steps up patrols along Lebanon border

BY L. DANIEL — TEL AVIV, Nov. 22.

WITH UNITS of Syrian troops moving to within a few miles of Israeli territory, the Israeli Army has stepped up its patrols along the Lebanese border, it was reported this afternoon by the military correspondent of Israel Radio.

At the same time, it is stressed by military sources here that these measures do not indicate any intention on the part of Israel to occupy part of Lebanese territory, but that the steps are means solely to prevent either the Syrians or an inter-Arab force from approaching the border.

Defence Minister Peres warned yesterday that while Israel had never objected to the presence of the Lebanese Army on the frontier, it could not view with equanimity Syrian forces being stationed in their stead.

The Syrians already have three divisions—around 30,000 men—as well as several hundred tanks in Lebanon. But so far as is known here, they have not transferred any aircraft or any anti-aircraft missile batteries to Lebanese soil. The deployment of the Syrian troops in Lebanon indicates that the Syrian forces intend to carry out a policing operation only. However, the Israel General Staff does not ignore the possibility of a sudden manoeuvre, of aircraft and missile batteries being sent in as reinforcements, which would represent a direct threat to Israel, added the broadcast.

Television crews which this morning toured the Western part of the Israel-Lebanon border (where the terrain permits a clear view of what goes on inside Lebanese territory) reported nothing unusual on either side of the border.

Hints of elections for Singapore

BY OUR OWN CORRESPONDENT — SINGAPORE, Nov. 22.

SINGAPORE'S ruling political party, the *People's Action Party* (PAP), has begun dropping hints of an imminent general election.

It has already started naming its new candidates for the elections and has promised to make an announcement on this matter later this week. So far no dates have been indicated but there is general speculation that they might be held some time next month or early next year.

Under Singapore's constitution, elections are held every five years and the present parliament expires officially in September next year.

In the forthcoming elections there will be 69 seats at stake and there is little doubt that the PAP which has ruled Singapore since 1959 will be returned to power again.

But the indications this time are that there will be tough fights if the opposition parties live up to their claim that they will be contesting all 69 seats.

Several opposition political parties planning to contest the polls have already entered into an electoral pact to field only one opposition candidate in each constituency to avoid splitting votes.

Whether the opposition parties which collectively captured slightly more than 30 per cent. of the votes in the last elections despite not winning any seat will for the first time in many years be heard again in parliament is left to be seen.

Egypt gets $250m. loan

By Our Own Correspondent — CAIRO, Nov. 22.

A $250m. loan to Egypt to offset a portion of its 1976 balance of payments deficit is being arranged by Chase Manhattan a subsidiary of Chase Manhatten Bank of New York.

Though the loan will not nearly offset Egypt's anticipated deficit this year of $3.25bn., it will make up for the actual cash arrears Egypt is expected to incur by the year end. Currently Egypt is approximately $360m. overdue in its payments.

For several years Egypt has been paying high interest rates on short term loans to cover balance of payments deficits. The Chase loan is a small but significant step towards refinancing with medium term loans.

Pakistan opposition

BY IQBAL MIRZA — KARACHI, Nov. 22.

SIX OPPOSITION parties, the strongest group of opposition that has emerged so far, have demanded a clear announcement of the date for future elections without delay at a joint meeting in Islamabad.

In a resolution released at a press conference given by the President of the National Democratic Party, Mr. Sardar Sherbaz Mazari, the six parties announced their decision to formulate a joint programme to resolve "serious political, economic, social and administrative problems in the country" which they claimed had resulted from the "shortsighted policies of the ruling party."

During his recent tour of Sindh Province Prime Minister Zulfikar Ali Bhutto had referred to the election but he "could not say when the elections would be held." He had also made it clear that his tour was not for seeking votes.

But whenever the elections would be held, Mr. Bhutto said, "victory would be of the people."

Last week the bill to provide for the conduct of elections to the national assembly and the provincial assemblies, providing deterrents against corrupt practices, was introduced in the National Assembly.

The six opposition parties have demanded the removal of restrictions on political activity, the dissolution of special courts and tribunals, and the release of political detainees. Mr. Sardar Mazari said the opposition parties' participation in the elections will depend on the restoration of "civilised conditions" ensuring that the elections will be free and fair.

U.K. aid team goes to Beirut

By Our Foreign Staff

THE FIRST regular Middle East Airlines flight between London and Beirut for four months left Heathrow airport on Monday carrying vital vaccines, a party of four from the "Save the Children Fund" and the British Ambassador, Mr. Peter Wakefield, amid fears that plague may break out in the Lebanese capital.

The team took out large quantities of anti-plague vaccines, blankets and anti-biotics to help the 140,000 refugees who include 40,000 children in need of treatment. They plan to be in Beirut for more than six months.

Australian shipyard in danger

BY KENNETH RANDALL — CANBERRA, Nov. 22.

AUSTRALIA'S biggest shipbuilding undertaking, the Newcastle Dockyard, owned by the Government of New South Wales, is expected to begin closing-down operations by the end of this year.

This follows the decision of the Dockyard employees to-day to reject a rescue plan proposed by the Federal Government requiring guarantees against strikes and agreement to limit wage increases. In return, the Federal Government had said it was prepared to order two ships from the dockyard for its Australian National Line fleet, subsidised to the extent of about $A29m. (about $20.3m.) by itself and the NSW Government.

The dockyard workers rejected the proposals overwhelmingly at a mass meeting this morning, and went on strike for the rest of the day after a protest march through the centre of Newcastle.

Closure of the Newcastle Dockyard would leave Whyalla, South Australia, yards of the Broken Hill Proprietary Company as the only major facility for building large ships in Australia. But Whyalla also faces closure after completion of present orders.

The demise of an Australian ship-building industry was not unexpected after the Industries Assistance Commission report in September showed that the Newcastle and Whyalla yards would need a substantial increase in their present 35 per cent. rate of subsidy for large ships.

The enormous impact of closures on the two communities affected (it is estimated that up to 60 per cent. of the Whyalla work-force would be affected directly or indirectly) nevertheless prompted a series of political negotiations between the Governments concerned, leading to the Federal Government offer earlier this month. The Transport Minister, Mr. Peter Nixon, and the Prime Minister, Mr. Malcolm Fraser, saw the Newcastle situation as offering the opportunity for introducing a dramatic change in industrial bargaining. They proposed a contract limiting any wage rises, while the National Line ships were under construction, to those awarded by the industrial tribunals, and prohibiting any change in working conditions that would involve additional cost.

The final straw for the unions, however, was a requirement that they pay cash damages for any losses caused by late delivery, or increased costs resulting from breaches of the contract.

Closer Iran-U.S. ties are worrying Russia. **Robert Graham** reports

Moscow steps up pressure against the Shah

THE SOVIET Union has well-recognised ways of making a diplomatic point or indirectly expressing displeasure. Those familiar with these habits—increased radio propaganda, indirect comments expressed through the East European satellite countries and treatment of visitors—have recently detected signs indicating Soviet disapproval of Iran.

The tone of broadcasts beamed at Iran from Bulgaria by Radio Paikeiran, traditionally used by the Soviet Union as a means of indirect comment, has become more hostile. A new radio station started up earlier this summer in Libya is beaming what is seen to be Soviet-inspired propaganda hostile to the Shah. A Soviet hand is further seen in "unfriendly" speeches by Libya and the People's Democratic Republic of Yemen at the Non-Aligned Summit in Colombo in August.

In the game of diplomatic manners, the cool reception given to the Iranian Premier, Mr. Abbas Hovieda, when he visited Moscow recently has been interpreted as a form of rebuff. (Possibly this had something to do with the fact that he had visited Mongolia first.) But the same was true of a subsequent visit to the Soviet Union by the Finance Minister, Mr. Hushang Ansari. Moreover, the Chinese, ever quick to attack Moscow, were careful to give the Shah's twin sister, Princess Ashraf, an important reception when she visited China in July, giving her much the same treatment as the hawkish former U.S. Defence Secretary, Mr. James Schlesinger.

Attitude

In broad terms, it seems that the Soviet Union is coming round to a new—and more hostile—interpretation of Iran's relationship with the U.S. This has been prompted by the Shah's commitment to purchase large quantities of sophisticated American military equipment.

An outsider may well wonder why there should be a change in attitude at the present time when the Shah has always sought to ally himself closely with the U.S. But the situation is not quite so simple. From 1963 onwards through to the early Seventies the Shah made a conscious effort to improve relations with the Soviet Union. He embarked on a series of substantial agreements on economic co-operation including the construction of Iran's first modern steel complex at Isfahan and the sale of gas to the Soviet Union. The Shah during this period seemed intent on displaying his independence towards Washington—without in any way loosening his ties—by acquiring Soviet military hardware as part payment for the gas sold

The 1973 oil price rise permitted the Shah a new freedom of manoeuvre. It allowed him to buy the most sophisticated hardware from any source. Thus fortified he had less need to feel apprehensive about incurring Soviet disapproval as a result of the closer embrace with the U.S. that began with the visit of the former President Nixon in 1972.

This more open identification with the U.S. was evident two years ago when the Shah decided to purchase the F-14 armed with Phoenix missiles—a direct challenge to the Soviet MiG-25 which has regularly flown over Iran on reconnaissance sorties over the past few years.

If the evidence has been there for two years or so, it is puzzling why the Soviet Union should have been slow to reassess the situation. The moment when Soviet displeasure became noticeable three months ago provides some clue, however. It coincided roughly with the moment when the full extent of the Shah's arms procurement intentions were publicised. Then, too, the U.S. Senate Sub-Committee published its report on U.S. arms sales to Iran, revealing the extent to which the Americans had become involved in Iran on the ground. The report predicted a possible presence of 60,000 Americans in Iran by 1980, most of whom would be defence or defence-related personnel. In other words Iran could have within her boundaries far more Americans performing such a role than either Turkey or Greece who, after all, are NATO members.

More generally, the Soviets are believed to be seriously concerned at the prospect of the U.S. using Iran for its own military purposes. In particular they are said to be perturbed by the current Washington reassessment of American bases in Turkey. The Soviets fear that some sensitive American surveillance activities have already been moved to Iranian territory in view of the uncertainty over the future use of Turkish bases. This is denied officially here but, if true, would be unlikely to be confirmed. As it is, Turkey is reliably understood to enjoy certain special technical advantages in terms of siting which would make the Americans most reluctant to shift facilities from there.

Nevertheless, the Soviets are reported to be more concerned still by Iran's demand for—and U.S. acquiescence in the supply of—a highly complex and sophisticated monitoring system by satellite. This will enable Iran to carry out extensive surveillance of the Gulf as well as the southern part of the Soviet Union where some of the most sensitive pieces of Soviet technology exist—rocket testing and armaments development factories. It is also designed for electronic eavesdropping, presumably the interception of high level messages.

The system is being installed by Rockwell International and is known as the "Ibex" project. The first phase, costing $300m., is now said to be operational (its overall cost is around $850m.). Ostensibly it is designed for Iran's own use but Moscow, perhaps not erroneously, believes the high degree of U.S. technical assistance in the project allows the Americans in, so increasing their surveillance capability of a previously "difficult" area. This has prompted the theory—strongly canvassed in Iranian intelligence circles—that the assassination of three senior Rockwell executives in Tehran on August 28 was not a mere anti-U.S. protest by urban guerillas. Rather it was an indirect way of Moscow making a point about Ibex.

This theory may be far-fetched. It is significant nonetheless that the story is being circulated here. It is also relevant that in documents which security forces are alleged to have uncovered in guerilla hideouts there has been evidence of contacts with what the Press called a "certain East European country"—an oblique reference to the Soviet Union, according to informed sources.

The main puzzle lies in what precisely are the Soviets trying to achieve. Is it simply shadow boxing? Do they believe they can influence the Shah through such indirect pressure? Is this the beginning of a campaign of *hostility similar to that of the* 1950s?

Displeasure

The safest conclusion is that the Soviet Union is reluctantly accepting the closer Irano-U.S. relationship but will not hesitate to express its displeasure and will, through indirect means, continue to seek to limit American influence. This said, Moscow is probably too cautious to throw away the prospects of substantial commercial co-operation or indeed to cut itself off from a valuable form of energy supplies. Iran is now contracted to supply the Soviet Union under a new deal beginning 1981 with 13.4bn. cubic metres of natural gas a year for use in southern industrial areas, and in turn the Soviet Union will supply an equivalent amount to West Germany, France and Austria. As for Iran, it seemed significant that it decided to return the Russian pilot of a light aircraft who last month flew across the border and asked for asylum.

SHAH Mohammed Reza Pahlavi says Iran is spending billions of dollars on modern weapons because it is worried about a military assistance pact between neighbouring Iraq and the Soviet Union.

In an interview with the New York-based Mideast Report, the Shah also said he would back a proposal for a 15 per cent. increase in the world price of oil when ministers of the Organization of Petroleum Exporting Countries meet next month at Qatar.

The Shah said Western fears that such an increase would wreck the global economic balance were exaggerated. "When we increased the oil price in 1973 four-fold, the effect on American inflation was one half of one per cent., 1.5 per cent. in Europe, so 15 per cent. now is just a fraction in one quarter of one per cent. It could be just a fraction," he said.

WORLD TRADE NEWS

More talks on Japanese car imports 'in January'

BY CHARLES SMITH TOKYO, Nov. 22.

JAPANESE AND British motor manufacturers will meet in January, almost certainly in London, to "discuss U.K. market prospects for 1977," the executive managing director of Nissan Motor, Mr. Masataka Okuma, revealed to-day.

The meeting, between the Japan Automobile Manufacturers Association (JAMA) and the Society of Motor Manufacturers and Traders, will be the third of its kind since Japan's rising car exports began to cause trouble in Britain in 1975.

The purpose, although neither side would dream of spelling it out, will be to try to ensure that Japan's sales to the U.K. next year remain within what both sides consider reasonable bounds.

JAMA first met the SMMT in London last December and a further meeting was held in Tokyo last July. JAMA forecast after the earlier meetings that there would be "no conspicuous change" in Japan's share of the U.K. market.

The forecast has proved broadly correct, but there has in fact been a minor increase in Japan's U.K. market share—from 9.3 per cent. of registrations in 1975 to 9.7 per cent. during the first ten months of 1976.

This increase was pointed out to the mission from the Keidanren (Japanese equivalent of the CBI) which visited London and Brussels last month. One of the EEC's demands in current negotiations with Japan is that the Japanese share of the U.K. car market should revert to its earlier level.

Japanese motor manufacturers strenuously deny that they are collaborating with one another to regulate the industry's U.K. market performance. (This would be illegal under Japan's anti-monopoly law without the formation of an officially-approved export cartel.)

However, Mr. Okuma forecast to-day that the industry's U.K. market share would probably fall before the end of this year, and that next year's performance would remain more or less unchanged. Japanese exporters have raised their prices in the U.K. considerably this year (in Nissan's case by as much as 50 per cent). It is officially expected that U.K. sales will be limited by further price increases in 1977.

Japan's motor sales to the U.K. were discussed last week at a meeting with the Keidanren devoted to considering ways of easing the Japan-Europe trade crisis. Keidanren officials received the impression that each Japanese motor company would be "independently exercising discretion" from now on about the level of its U.K. sales.

This could mark a change from the past, in which the two major Japanese exporters, Nissan and Toyota, have both seemed to be aware of the need to hold back in the U.K., while smaller companies such as Toyo, Kogyo, Honda and Mitsubishi have forged ahead, and increased their exports.

Japanese exporters seem reasonably confident that steps like these will prevent a showdown. They say, however, that if a crisis has to come, they would prefer it to take the form of Britain imposing unilateral restraints on Japanese car imports than of the Japanese industry resorting to a legally-recognised export cartel. The latter course would invite demands for similar cartels from the U.S. or other car-importing nations.

U.S. wool tariffs appeal

BY RHYS DAVID

BRITAIN'S wool textile manufacturers are urging clothing producers in the U.S. to appeal to their Congressional representatives for a reduction in the very high levels of tariff on imports of wool fabrics.

At a Press conference in New York yesterday Mr. Philip Brook, chairman of the National Wool Textile Export Corporation, claimed the tariff, which can add as much as 50 per cent. to the cost of British fabric before it reaches customers in the U.S., was now obsolete because of the disappearance of the specialised wool fabric producers in the U.S.

The tariff, too, was threatening the future of the U.S. clothing industry which was unable to obtain the fabric it required from domestic sources.

The corporation has sent an open letter to more than 400 leading clothing manufacturers and retailers in the U.S., pointing out that the current *ad valorem* duty of 45 per cent. on the average woven cloth imported into the U.S. compares with a figure of only 13 per cent. for the EEC and 12 per cent. for Japan.

£1.9bn. Libyan expenditure

By Godfrey Grima

MALTA, Nov. 22.

LIBYA WILL spend 1.5bn. dinars (£1.9bn.) next year on development according to a decision taken by the country's General People's Congress.

The services sector, including housing, security services, the municipalities, transport and communications, marine transport and trade will absorb 34.5 per cent. of Libya's development budget at 513m. dinars (£643m.).

Another 29 per cent. will go to the industrial sector which in 1977 will absorb 424m. dinars.

South African power project delayed

BY RICHARD ROLFE JOHANNESBURG, Nov. 22.

THE SOUTH AFRICAN Electricity Supply Commission (ESCOM) which has been planning an investment of R3bn., mainly in new power generating capacity, over the next six years, has announced that it is to postpone construction of its proposed Ilanga power station until after 1977.

Originally, tenders were to be called for some time during next year, but ESCOM says that its latest load forecast indicates a somewhat lower expected growth rate than in previous years.

It has none the less left the position open for review during 1977 in case demand estimates pick up again

Planned installed capacity at Ilanga is 3,600 MW, and the cost of the project at estimated 1977 price levels has been put at R1bn. This compares with the estimated cost of the other two 3,600 MW stations now under construction, Duvha and Matla, at about R800m. each.

Both these latter are coal-fired stations, exploiting the extensive low-grade coalfields of the Eastern Transvaal, and Ilanga is planned to take roughly the same form, perhaps allowing for greater beneficiation of the coal intake to improve production of a coking coal fraction.

The postponement follows last week's decision by ISCOR, the state steel group, to postpone its semis plant at Saldanha Bay, for which the reason advanced was shortage of capital, both locally and internationally.

The Ilanga postponement could have repercussions on firms such as GEC, which was awarded valuable contracts at Duvha amounting to more than R100m. ESCOM reiterated in its statement on Ilanga that its plans for the Koeberg nuclear power station in the Western Cape have not been affected, and this project, for which tenders have been awarded and finance arranged, will proceed in accordance with schedule.

U.S. route change stands

BY OUR NEW YORK STAFF Nov. 22.

THE KEY international route swap made in March 1975 between Pan American and Trans World Airlines, the two largest international carriers in the U.S., is now due to stay in effect until March 1978.

The Civil Aeronautics Board's decision, still subject to Presidential approval, goes against a Washington Appeals Court which ruled last July that such a swap was improperly approved in the first place.

Both the two airlines and the CAB point to the fact that the swap is largely responsible for improving the financial results of the two major carriers, and it is even argued that both could have faced serious difficulty without the switch.

The Appeals Court's ruling was based on the fact that the CAB did not follow required procedures in clearing the change of routes, including a full investigation and public hearing.

The route swap is apparently not likely to become permanent, however, as the CAB has rejected a suggestion to that effect made by the Transportation Department.

AEROBATIC

THE BRITISH Cranfield Chase aeroplane, a two-seat monoplane designed for use in aerobatics, has already clinched export deals worth £1m., although it flew for the first time less than three months ago. A company called Flight Invert has been formed to develop and produce the aircraft.

U.K. home appliance exports up

By Max Wilkinson, Industrial Staff

BRITISH exports of domestic appliances increased by 23 per cent. in 1976 compared with the previous year, says the industry's trade association in its annual report published yesterday.

The Association of Manufacturers of Domestic Electrical Appliances (AMDEA) warns, however, that the increase in money terms does not take account of inflation.

The figures, for the year ended September, 1976, also show that imports of white goods rose by 14 per cent. compared with the previous 12 months. The total home market for goods covered by the association increased by only 1 per cent. in money terms, to £492m., representing a fall in real terms of some 25 per cent. in the first half of 1976.

The total exports of £90.2m. are described by the association as "satisfactory," but in spite of the increase, they were still below the level of imports, which were running at £139.6m.

The association says it is important that the home market should not be economically depressed while the industry is struggling for recovery. It calls on the Government to abolish the additional value added tax levied on electrical appliances.

China pyjamas restricted

BRITAIN is to introduce quota restrictions on imports from China of men's and boys' pyjamas, following a rapid surge in arrivals over the last few months, the Department of Trade announced last night.

Though China only has a very small share of the underwear market, it has stepped up its supplies dramatically recently, and from the evidence of requests for surveillance licences was planning further large increases in shipments over coming months. The Chinese, who have begun to emerge this year as a major textile exporter, supplied only 20,376 pieces of underwear to the U.K. market last year, but up to mid-October this year had exported 289,000 pieces.

£2.8m. USSR oil deal for Worley

The Worley International Engineering Group has been awarded a £2.8m. contract with Technoexport of the Soviet Union for the supply of engineering and equipment to assist in the development of the Luhais oil field in Iraq.

The field is located near the new giant Rumalia oil field which was recently developed with Russian assistance.

It represents the first time that Worley Engineering has supplied engineering and equipment to a Russian prime contractor for installation in a third country. Worley is a member of the William Press Group.

Newell Dunford to build Qatar plant

Newell Dunford Engineering has won a £2.4m. contract to supply a complete lime calcination plant to Qatar. The plant will be built at Umm Bab for the Qatar National Cement Company and the consultants for the project are Henry Pooley Atkins of Epsom.

Barclays ban

The Kuwait Government banned dealings with Barclays Bank under an order published here. The banning of Barclays was recommended by a conference of the Arab Boycott of Israel offices in Baghdad on November 1.

Venezuela links oil to development aid

BY HUGH O'SHAUGHNESSY

VENEZUELA, the world's third largest oil exporter, is to use the leverage it enjoys through its membership of Opec and its influence on oil prices to push for concessions for the developing countries at the international conference on economic co-operation which is drawing to a close in Paris.

Dr. Reinaldo Figueiredo, head of Venezuela's Foreign Trade Institute and a senior member of the Party which is accompanying President Carlos Andrés Pérez on his current official visit to Britain, said that while his country was not seeking a confrontation with the industrialised countries in Paris, Venezuela's stance on the international oil price level to be fixed at next month's Opec meeting at Qatar would depend on the result of the North-South dialogue.

Indexation

He indicated that the question of the indexation of the prices paid for the commodities produced by the developing countries was a scheme upon which Venezuela was keen to get the industrialised countries' agreement.

Dr. Figueiredo would not be drawn on the precise range of prices that Venezuela would support at the Qatar meeting beside saying that Venezuela would not press for the 32 per cent. increase which it felt justified by the erosion of the purchasing power of the oil producers.

It is significant that President Pérez's party has been joined in London by Dr. Manuel Pérez Guerrero, Venezuelan minister for international economic affairs and co-chairman of the North-South dialogue.

Meanwhile on the bilateral level Sr. Ramón Escovar Salom, the Venezuelan Foreign Minister, and Mr. Edmund Dell, the Trade Secretary, are expected to initial a memorandum of agreement this afternoon setting out the precise industrial sectors where both sides see future possibilities of co-operation. These include steel, energy, shipbuilding and agricultural industrialisation.

Dr. Figueiredo pointed out that the possibilities of trade with Britain, a country with which Venezuela had always had close historical links, were very great. The Venezuelan Five Year Plan for instance envisages the raising of steel production from the present level of 1m. tonnes a year to 5m. by 1980 and thereafter to 15m. tonnes by 1985. Power production in the Guayana region should jump from 1m. kW now to 8m. kW by 1985.

The Venezuelan official was keen to emphasise that as a whole Latin America represented a market for capital goods and manufactures larger than Japan and three-quarters the size of the U.S. Sr. Figueiredo rejected the idea that Chile's departure from the six-nation Andean Pact had caused any crisis in that grouping.

● A £40m. credit agreement has been signed between Lloyds Bank International and the Corporacion Venezolana de Fomento (CVF) for the purchase of U.K. capital plant, equipment and related services to the total value of £50m.

Contracts to be covered by the credit will have a minimum value of £125,000 and may be placed with U.K. suppliers by Venezuelan companies associated with or approved by the CVF and will be guaranteed by them.

Australia extends fishing agreement with Japan

BY KENNETH RANDALL CANBERRA, Nov. 22.

AUSTRALIA HAS cooled down, at least for the time being, its threatened reprisals against Japan for the proposed sharp reductions in Japanese meat import quotas for the first half of next year.

Last week, in the wake of Japan's announcement that the current half-year import quota of 45,000 tonnes would be cut to 20,000 tonnes in the first half of 1977, the Australian Minister for Primary Industry, Mr. Ian Sinclair, threatened not to renew the Japan-Australia fishing agreement, which expires next Saturday.

To-day, however, Mr. Sinclair said the Government had agreed to extend the agreement to January 31 "to enable both Governments to conclude negotiations on new port access arrangements."

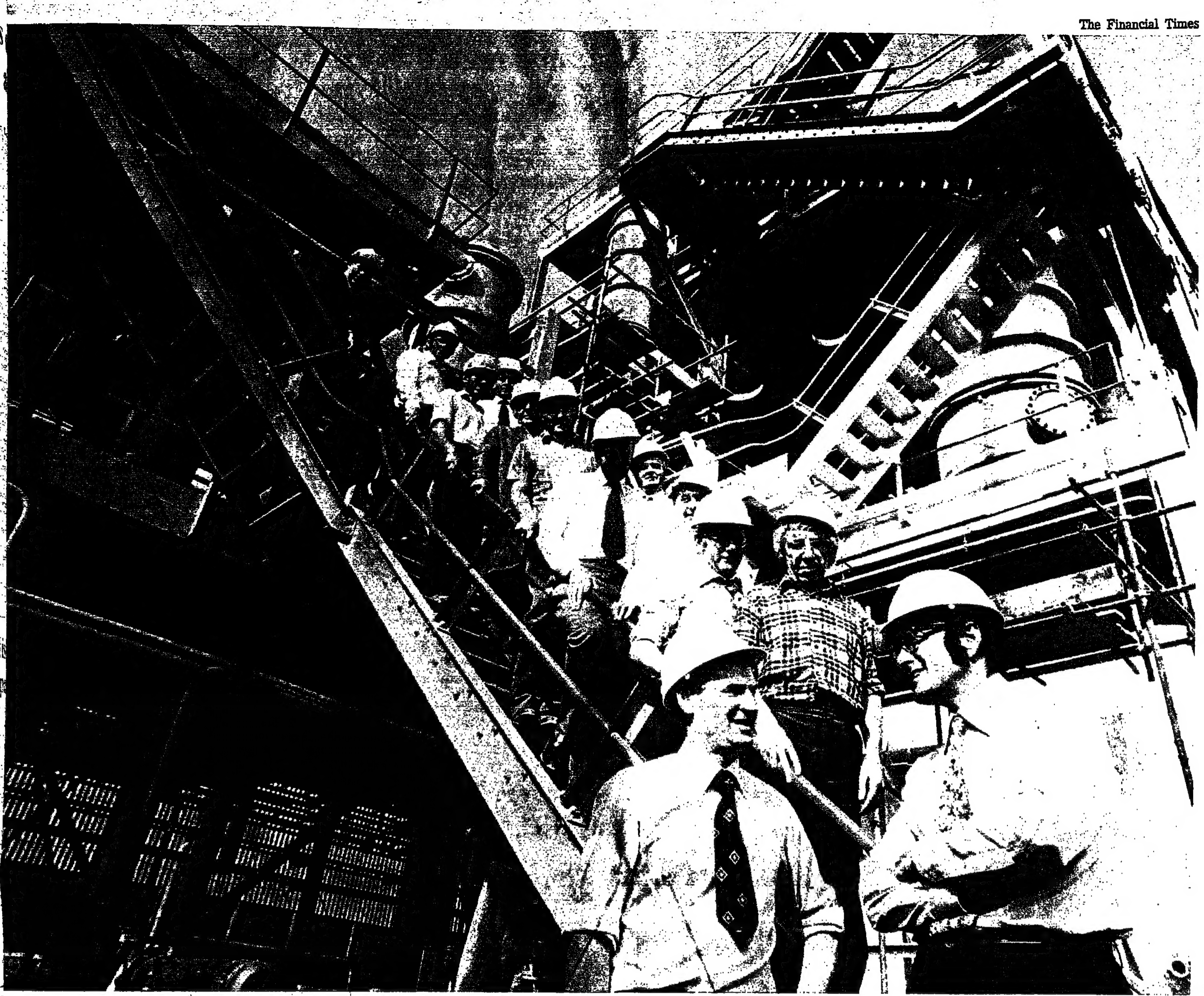
Official sources in Canberra, however, leave no doubt that the short-term extension is designed to get both sides past the Japanese elections next month and into a calmer atmosphere for compromise.

The Japanese Government has already given private assurances that the quota announcement was necessary in the pre-election period because of acute pressures from domestic meat producers.

Australia has been told firmly that the decision will be reviewed after the elections and, almost certainly, the quota will be expanded substantially.

Japan has been seeking a two-year extension of the fishing agreement which allows its fleet of about 360 tuna vessels access to the ports of Fremantle, Hobart, Brisbane and Sydney for supplies. Using long-line techniques (up to 80 km. of line in one setting), the vessels operating around Australia supply about 10 per cent. of Japan's sashimi (raw fish) market.

هكذا من الاجل

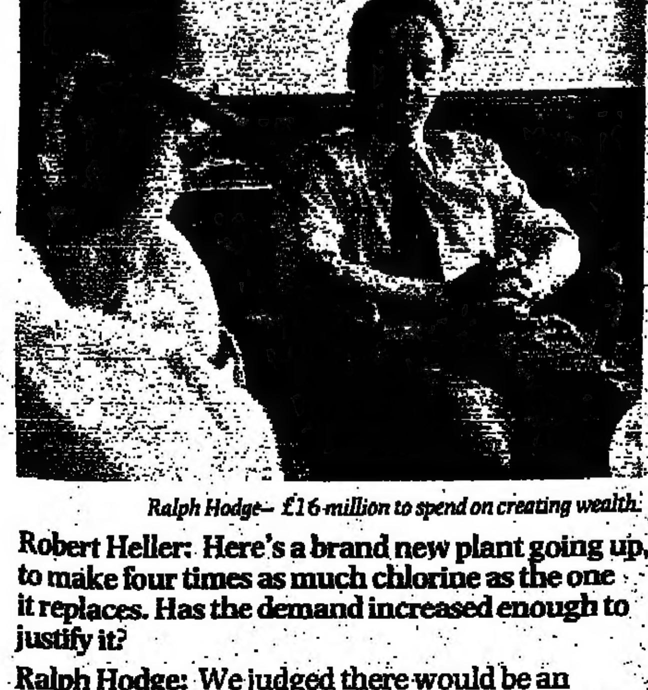


Ralph Hodge and Robert Heller with some of the men who have helped plan the new plant and will work there.

'If the profits aren't there to invest, then there isn't going to be any recovery in this country.'

Ralph Hodge, ICI.

This year ICI is putting £450 million back into the business. How is the money put to work? And who benefits? To give you an insight, Robert Heller, Editor of "Management Today", questions the man responsible for spending some of it — Ralph Hodge, Director of the Chlor-alkali Group at ICI's Mond Division in Cheshire.



Ralph Hodge — £16 million to spend on creating wealth.

Robert Heller: Here's a brand new plant going up, to make four times as much chlorine as the one it replaces. Has the demand increased enough to justify it?

Ralph Hodge: We judged there would be an upturn in the economy in 1977, and we'll be ready to meet the demand. Chlorine is used in a lot more places than swimming pools. It goes to make plastics, dry cleaning fluids, dyes. . . .

Heller: It's costing £16 million. That's a lot to risk on an economic forecast.

Hodge: There were other things to consider, too. Preserving jobs, improving the process, making sure we are competitive. There's definitely a quickening of the pace at which ICI is investing.

Heller: When did this project start?

Hodge: We put forward a very well-defined specification to the ICI main board in mid-1975. We got authorisation within two months.

Heller: Very short time compared with what happens in the public sector.

Hodge: Speed is absolutely vital if you're to maintain the momentum of a project. When it was approved, we already had over 100 people working on the plans.

Heller: Once you'd been given the go-ahead, what would have been the traditional way of putting it into practice? Appoint a boss, I suppose.

Hodge: For this particular project, we decided to take a bold and experimental step in a new direction. We wanted to seek complete involvement — of everyone who would plan, build, and work in the plant. Now the core of these people — we call them the Core Group — managers, shop stewards, engineers, work out between them what they need. Including how many will work here, and what they'll be paid within the ICI structure.

Heller: So the Core Group rules?

Hodge: Not exactly. Remember, this is an experiment. All their decisions are referred to a group of people like myself and full-time union officials. . . .

Heller: While all this is going on, the technical matters are in the hands of the technical experts?

Hodge: All the experts are wide open to comments by the people who will work the plant. We've made a full-scale model of the very heart of the plant — the chlorine cell — and it's been crawled over and under and examined by process workers and maintenance men. They'll question whether a valve should be a foot higher or a foot lower. In the past, if mistakes were made, people would have to go back afterwards getting it right.

Heller: Isn't this a cumbersome and more costly way of doing it?

Hodge: It takes time now, but we believe this will be counteracted by getting it right, and by avoiding the snags that can delay new plants being put into operation. And we're also ensuring that all those involved with the plant have a better place in which to work, and one to which they have contributed.

"What we're doing here, British industry has to do many times over."

Heller: Who's going to benefit when this plant comes on stream?

Hodge: Investments like this generate wealth, and start off a whole chain reaction of benefits. First of all the local community, because this provides a continuance, even a small expansion in employment. Then the customer, because unless someone like ICI makes enough chlorine here, Britain would have to import. And for ICI itself it should be profitable.

Heller: What is your main stimulus, motivation, ambition in constructing this project?

Hodge: To improve our business is our main motivation. And good working relationships will help us to succeed. I do genuinely believe that far too much time and energy is taken up in confrontation between management and unions. Here we are trying to break new ground, to go down a path together.

Heller: Do you think that workers and trade union officials can share your interest in creating new resources out of old, in making profits and producing very large sums of money that won't be going to workers but into something very amorphous called ICI?

Hodge: I think people are gradually accepting that there isn't a Mr. ICI somewhere pocketing bags of gold; that profits are needed to go back into the business and keep it going. And if profits aren't there to invest, then there isn't going to be any recovery in the UK.

Ideas in action ICI

Defects in GLC houses will cost £30m. to correct

BY DONALD MACLEAN

THE Greater London Council faces a £30m. bill to rectify bad workmanship on housing projects undertaken between 1964 and 1974. This is about 3 per cent. of the total amount spent on the projects.

To make matters worse, because of government constraints on local spending, problems will arise over carrying out remedial work.

a report issued yesterday by the GLC, the largest local authority in the country, calls for a major reorganisation of its housing and architecture departments. Officials have been criticised for not handling effectively such matters as condensation, faulty central heating, ill-fitting windows, and leaking roofs.

It is most unusual for a council to criticise its own officials in this way, and the document has caused intense annoyance among the officers.

Two senior officers, Mr. Harry Simpson, controller of housing, and Sir Roger Walters, architect, immediately attacked the report as containing "serious misunderstandings." The report appeared to give insufficient consideration to the fact that the "cause of to-day's problems lies some way back in the past, in many cases a decade and more."

They do not consider that proposals in the report for transfer of responsibilities and staff between departments are needed in order to achieve the objectives of the sub-committee.

The £30m. figure has been put forward by the committee following a special report by GLC members under the chairmanship of Mr. Tony Judge, who is also chairman of the GLC's housing management committee.

The report was commissioned after the presentation last June of an officers' report on cases of difficulties arising from faults in construction or design in housing development since 1964.

The officers' report was requested by Mr. Judge following increasing concern on the housing management committee about problems brought to light through the GLC district housing committee and tenants' associations, and through reports seeking approval of expenditure to put right defects in recent developments. It was not thought satisfactory by Mr. Judge.

Among the recommendations of the succeeding members' report is one that at least £4m. should be put aside in 1977-78 for remedying major technical problems and a programme for action based on priorities.

There should also be "sympathetic" consideration on compensation to tenants who have suffered real inconvenience over lengthy periods, due wholly or mainly to building and design defects."

The Department of the Environment should be asked to accept that greater account be taken of cost-in-use in giving financial approval to schemes.

Other recommendations include one that local authorities should consider with the Department of the Environment the possibility of exchanging information on the performance of private contractors and architects and outside consultants.

Officers, it is said, should justify the placing of contracts with undertakings in these fields if their performance has been unsatisfactory previously.

In addition, there should be a collective responsibility on officers to ensure that major building and design defects are brought to the attention of the housing committee—and the responsibility for ensuring that such a feed back of information takes place should rest with the controller of housing. The principle of including a cost for this feedback in the housing budget should be adopted.

The controller of housing should be responsible for the work of the housing architect and his department.

The GLC's right to call in an early stage in all cases where early stage in al lcases where the contractor for a particular scheme denies or contests liability, where there is good reason to believe that the source of the problem has not been identified, or where the remedy is not obvious," should be written into contracts.

Mr. Edward Heath conducting the London Symphony Orchestra during the rehearsal for last night's concert at Grosvenor House, London.

Forties field oil output halted by pipe fracture

BY RAY DAFTER, ENERGY CORRESPONDENT

OIL PRODUCTION from British Petroleum's Forties field halted yesterday after an oil pump discharge pipe fractured.

Production from two platforms was later resumed as engineers investigated the cause of the unusual accident. A production rate of about 260,000 barrels a day was being maintained last night, whereas with existing development wells, output could reach 330,000 barrels a day.

The accident happened on Sunday night as the production platforms were being pounded by 28-feet seas. No one was injured and a daylight air-sea search yesterday confirmed there had been no pollution. The drainage system on the affected structure—"Platform Charlie"—had collected all the spillage from the broken pipe by the time production from the field was halted as a precaution.

BP said the pipe had broken because of mechanical failure. The cause was being examined and it was not known how long the platform would be out of action.

The inquiries will be watched with interest by other companies in the offshore industry. When minor corrosion was discovered on one of the Forties riser pipes this summer, the Department of Energy alerted other companies to re-examine their production systems. The corrosion was found to be an isolated incident.

Unless there is a serious delay in production from "Platform Charlie," the overall level of output from Forties this year should not be affected. BP pointed out that the group was constantly varying production.

Last month Mr. David Steel, chairman of BP, announced that output from the Forties field should rise to 500,000 barrels a day by the end of next year, an increase of 25 per cent. on the expected peak production rate. During 1977 the field's production should average 450,000 barrels a day—equivalent to about a quarter of Britain's oil requirements.

● The contract for the [illegible] of platform facilities for [illegible] Murchison field in the North [illegible] has been awarded to Ma[illegible] Hall Engineering.

The award was made [illegible] Conoco North Sea (a sub[illegible] of Continental Oil Company [illegible] operator for the U.K. [illegible] which also includes B[illegible] (Exploration), and Gulf Oi[illegible] three companies have [illegible] shares.

N.Sea oil spot prices hit by OPEC doubts

SPOT PRICES for North Sea [illegible] have eased along with those [illegible] Middle East and African [illegible] because of the uncertainty [illegible] rounding the pricing plans [illegible] the Organisation of Petroleum Exporting Countries.

It is the first time since [illegible] summer that prices have fa[illegible] reflecting in part specula[illegible] about the possible deferral [illegible] an OPEC price rise. Petrol[illegible] Intelligence Weekly, highli[illegible] ing the change in the s[illegible] market, also points out [illegible] refiners are now well advan[illegible] with their stockpiling.

The journal says that m[illegible] Caribbean and U.S. Gulf [illegible] refiners have stopped buying [illegible] this has hit both African [illegible] North Sea oil prices. Ekofisk has consequently dropped [illegible] price, along with African cru[illegible] falling by some 5 to 10 ce[illegible] per barrel to around $13.55 [illegible] barrel.

Spot prices for Arabian li[illegible] crude—taken as the oil ind[illegible] try's pricing marker—rose [illegible] $13.25 at the height of the [illegible] ing, but has since fallen to a[illegible] $12. Even so, says Petrole[illegible] Intelligence Weekly, the [illegible] prices are still some 50 c[illegible] above official levels.

Cunard to spend £25m. building up Saudi trade

BY JOHN WYLES, SHIPPING CORRESPONDENT

CUNARD STEAM SHIP is to invest well over £25m. in the next four to five years building up a new Arab road haulage operation linked to an expanded container shipping service to Saudi Arabia.

This big expansion of activities in the Middle East, announced yesterday, comes only six months after the first chartered container vessel sailed carrying the banner of the newly formed Cunard Arabian Middle East Line.

Mr. Ken Crawford, managing director of Cunard Brocklebank, who is also responsible for the new subsidiary, said yesterday that this service to Jeddah had proved so trouble-free and future demand was so buoyant that the company had decided to charter two more specialised container and roll-on roll-off ships.

In adition, Cunard expected to be seeking shipyard tenders late next year for two container ships of its own, costing around £17m. Introduction of the vessels would be timed to coincide with completion of container handling facilities at Jeddah.

Applications

Mr. Crawford disclosed that Cunard is negotiating a £2m. joint venture with Saudi Arabian interests to set up a road haulage operation in Saudi Arabia. The British company had already spent £500,000 on 18 trucks and 45 trailers and was hiring 25 drivers on 12-month contracts.

More than 1,500 people had applied for the vacancies when they were advertised.

Cunard has opted to go into road haulage in Saudi Arabia partly out of necessity, since freight distribution in the country is highly underdeveloped. It will enable the shipping company to offer an integrated service and is a mark of its determination to stay in a highly competitive trade.

Mr. Crawford said yesterday that with one ship, Cunard Arabian was carrying about 15 per cent. of the trade into Jeddah. It was hoped that over two years this would rise to 25 per cent. after the introduction of the second vessel next February and the third next June.

Shortage of cargo handling facilities at Jeddah has also drawn Cunard into spending around £300,000 on dockside equipment. Mr. Crawford conceded that more than £5m. a year was being spent over the next year or two on consolidating Cunard's position in the Jeddah trade.

New ideas needed on housing finance

By Ian Hargreaves

NEW METHODS of housing finance are necessary to match changes in systems of tenure, Mr. H. G. Simpson, controller of housing for the Greater London Council, said yesterday.

The chief need at present was not the introduction of further prototype schemes for house purchase or rent, "but for practical experience of those schemes which have already been put forward. Once this has been gained, there may well be opportunities for further diversification."

Mr. Simpson was giving the second Royal Society for the Encouragement of the Arts Bossom lecture on extending individual choice in housing.

He said that, in line with the introduction of new forms of tenure — such as the various styles of co-operative and co-ownership—a new financial framework would be required.

"It is hoped that this will soon be forthcoming and will be able to command a political consensus."

Embassy king size to be relaunched

By STUART ALEXANDER

W. D. AND H. O. WILLS is to relaunch the king size version of Embassy filter cigarettes and, contrary to the present trend, will keep coupons as a sales incentive.

Originally launched as Embassy Kings in 1970, the cigarette failed to attract a public which, when it decided to buy larger cigarettes, looked for a different image.

With the recent large swing to king size as price differentials dwindle, Wills has decided to try again with a slightly different blend, though still Virginia, and a modified pack which will be cheaper to produce.

The cost of saving will allow an initial launch price of 46p against a recommended retail price of 48p, which means that Wills will sell its king size at the same price as, and in competition with, standard size Embassy filters.

Among Wills' competitors, Rothmans has dropped all coupons, Benson and Hedges has dropped coupons from king size Silk Cut, and John Player (Wills' sister company in the Imperial Group) has launched new king size without coupons while offering some of the smaller brands at cheaper prices without coupons.

But Wills feels that the best way of encouraging customers is to do so within the family and, therefore, retain coupons.

As well as a national newspaper campaign, Wills will back up initial advertising with incentives to the retailers which will give them a 25p rebate for every thousand ordered, eight weeks to pay and a gift of 600 coupons for in-store displays.

Wills recognises that the effort comes at a difficult time for the trade which is coping with a price war during which the king size sector's share of the market has jumped from 9 per cent. to over 16 per cent.

And there is the added incentive of the Christmas trade, with the introductory prices offering a bigger gift for the same price.

Wills has not disclosed how long the 2p a pack price cut will be kept up, but it will operate for at least four weeks.

It hopes to harden brand loyalty—the Embassy range accounts for 27 per cent. of cigarettes sold in the U.K.—at a time when competition, notably Imperial Group stablemate John Player, has been poaching customers.

Goldsmith's 'Eye' plea fails

THE APPEAL Court in London yesterday refused an application by Sir James Goldsmith to fix a later date for hearing his appeal against a judgment in favour of the satirical magazine Private Eye.

On July 16, High Court judge Mr. Justice Donaldson rejected Sir James' attempt to stop Private Eye publishing anything about him or his solicitors pending trial of a criminal libel action and three civil [illegible] actions against it.

Mr. Richard Rampton, for Sir James, said yesterday that the urgency of the appeal had been overtaken by events. The [illegible] notice was filed on August [illegible] On August 20 Private Eye pu[illegible] lished an article purporting [illegible] be an account of the procee[illegible] ings before Mr. Justice Dona[illegible] son.

Sir James was now seeking [illegible] petition the House of Lords a[illegible] asked for the December [illegible] appeal to be stood out as t[illegible] August 20 article was ne[illegible] material.

Lord Denning, Master of the Rolls: It is rather funny th[illegible] you want to put it off. The mo[illegible] it is delayed the less likely yo[illegible] are to get an injunction.

Handshake of £$\frac{1}{4}$m. approved

By Paul Cheeseright

SHAREHOLDERS of the London mining house Consolidated Gold Fields appear to have accepted with equanimity the payment of £250,000 compensation to Sir Brian Massy-Greene, the former chief executive of the group's Australian arm.

The payment was disclosed last month. It followed the decision to split the functions of managing director and chairman of Consolidated Gold Fields Australia. Sir Brian lost his post as managing director but stayed on as chairman.

At the group's annual general meeting in London yesterday one shareholder asked three questions about the payment.

A prepared statement by Lord Erroll of Hale, the group chairman said the sum of £250,000 was reached by reference to Sir Brian's annual salary of about $A77,000 (£57,700), the 6½ years *he expected to work until retire*ment, and his accruing pension rights.

U.K. executives 'are worst at using secretaries'

FINANCIAL TIMES REPORTER

BRITISH EXECUTIVES are the worst in the world in delegating work to secretaries, according to Mr. Bernard Marks, chairman and chief executive of the Alfred Marks employment bureau.

He is quoted in an article, in to-day's Business Administration magazine, about executives' working styles. His company carried out a survey among secretaries in the U.K. and abroad and the British executive came out worse at delegating work to secretaries.

The use, or misuse, of secretaries varies considerably. At one end of the scale, says the article, there is Mr. Jack Dickman, chairman and chief executive of Fidelity Radio, who will not allow a secretary in the company and shares one typist with the other senior executives, receiving and making all his own telephone calls.

At the other end of the scale, Mr. George Burton, chairman and chief executive of Fisons, has two personal secretaries and *claims that they are kept busy* and are often overloaded with work.

The article suggests that few chief executives can boast that they use their time effectively.

Skytrain appeal

LAKER AIRWAYS, in its bid to introduce the cut-price Skytrain service between London and New York, was suggesting that the public interest and that of other air carriers should be put aside, Mr. Sam Silkin, the Attorney-General, submitted in the Court of Appeal yesterday.

"One may at the end of the day have a conflict between a private company and public interests concerning licensing of transatlantic air traffic.

He was continuing legal submissions for the third day in the Government's appeal against Mr. Justice Mocatta's ruling in July that Mr. Peter Shore, the former Trade Secretary, acted outside his powers when he set about changing air transport policy including axing Skytrain —*in a White Paper last Feb*ruary.

The appeal continues to-day.

Fidelity costs agreed upon

By Christopher Hill

AGREEMENT has been reached between the Policyholders Protection Board and Fidelity Corporation reinsurers' legal costs, enabling the scheme to rescue Fidelity Life and run it as a closed fund.

In the High Court yesterday, Mr. Justice Slade adjourned the Trade Secretary's petition to wind up Fidelity Life until November 29 after being told that the agreement on reinsurers' costs had to be formally ironed out. This is not expected to create new snags.

After a great deal of wrangling over legal costs, it looks as if the Fidelity Life rescue development is reaching an end. The judge will be asked to dismiss the winding-up petition as at December 1—the date on which calculations are based for a handover to Norwich Union.

New Tory devolution chief sees little change in party policy

BY RAY PERMAN, SCOTTISH CORRESPONDENT

MR. FRANCIS PYM, the new Conservative front-bench spokesman on devolution, was in Edinburgh yesterday learning what he could from the Scottish party and said afterwards that his appointment would mean no major change in Tory policy.

Mr. Pym, who spent much of the time since his new job was announced on Friday in bed with a bad cold, was obviously anxious to catch up before the Devolution Bill is published at the end of the month.

He said later that the shadow Cabinet would not take a final decision on how it would vote until it had seen the Bill.

This still leaves open the question of whether the party will be whipped in opposition or allowed a free vote—which could be important to the Government's majority.

Mr. Pym restated the party's commitment to a directly elected Scottish Assembly, but said that it was unhappy with the Government's proposals.

Mr. Pym said he could personally understand the desire by Scots to have more say in their own affairs and thought this was fully consistent with Scotland remaining part of the U.K.

He thought opposition by English MPs to devolution might have been exaggerated. "There is a very broad understanding in England and other parts of the U.K. about Scotland. But devolution is a U.K. problem if ever there was one. It is not just a Scottish problem."

He was keeping an open mind on the question of a referendum and on proportional representation as the voting system for the Assembly.

Observer futur[illegible]

THE FUTURE of The Obser[illegible] will be settled on "commerc[illegible] gain" rather than on public [illegible] terest, a Government minis[illegible] said last night.

Mr. John Grant, Under Se[illegible] tary for Employment, speak[illegible] on the battle for The Observ[illegible] said in Cudham, Kent: "T[illegible] media provides the context [illegible] which we consider matters [illegible] great social, economic or pol[illegible] cal importance. It is of fund[illegible] mental importance to o[illegible] democracy.

"Yet the future of T[illegible] Observer is not likely to [illegible] settled on the basis of the pub[illegible] interest.

"It sems that it will be settl[illegible] primarily on the basis of cir[illegible] lation battles, proprietor[illegible] whims and prejudices and co[illegible] mercial gain.

هكذا من الاصل

Unilever chief urges inflation accounting soon

BY MICHAEL LAFFERTY

E ACCOUNTANCY profession was urged again yesterday implement a simple and erally acceptable system of ation accounting as soon as sible. This latest call came n Mr. David Orr, chairman of lever, the Anglo-Dutch group se products range from foods etergents.

r. Orr said that Unilever was ply concerned that the pro- ls to introduce a system of ation proof accounting have ome bogged down "in arently endless argument."

At times we feel that the untants are more concerned e how many of their profes- can dance on the point of an tors pencil than to recognise urgent needs of industry." eaking in Craigavad, County n, to members of the Irish itute of Chartered Accoun- s, he recalled that it was now e years since the Sandilands tion accounting committee set up and over a year since ported.

'Doom-laden'

In the meantime inflation in U.K. has reached levels h even the most doom-laden easters were not anticipating n the committee was elved.

One would have thought that turn of events would have eased the urgency for some of inflation accounting to nplemented. But no, we find that the Morpeth Com- e's proposals, which are to ublished in the form of an sure draft at the end of this h, are themselves intended rovide fertile ground for er prolonged public te."

had been hoped that the nts of the exposure draft ment would command ral assent both within the itancy profession and in in- y. Instead the signs were areas of profound dis- ement remain.

the debate carried on at past tempo, much time and tion would pass by before hing was implemented.

the meantime historic cost unts continued to give a distorted picture of the performance of companies: selling prices were fixed at levels which allowed little or no real income, and industry was being taxed on profits which might not exist.

Mr. Orr expected the debate on the accountancy profession's proposals over the next six months to centre on the treatment of monetary items in inflation accounting.

He was not surprised that there was a conflict of view between the banks and financial institutions, which were holders of net monetary assets, and industrial companies, which were in general holders of net monetary liabilities.

There was no single answer to the monetary items problem, which was why the debate would be prolonged. But it should not be allowed to hold up the implementation of inflation accounting in those areas where agreement had already been reached, namely fixed asset depreciation and stocks replacement.

A system dealing with only those items could be implemented resonably soon, and well before the mid-1978 date apparently to be proposed in the accountants' exposure draft.

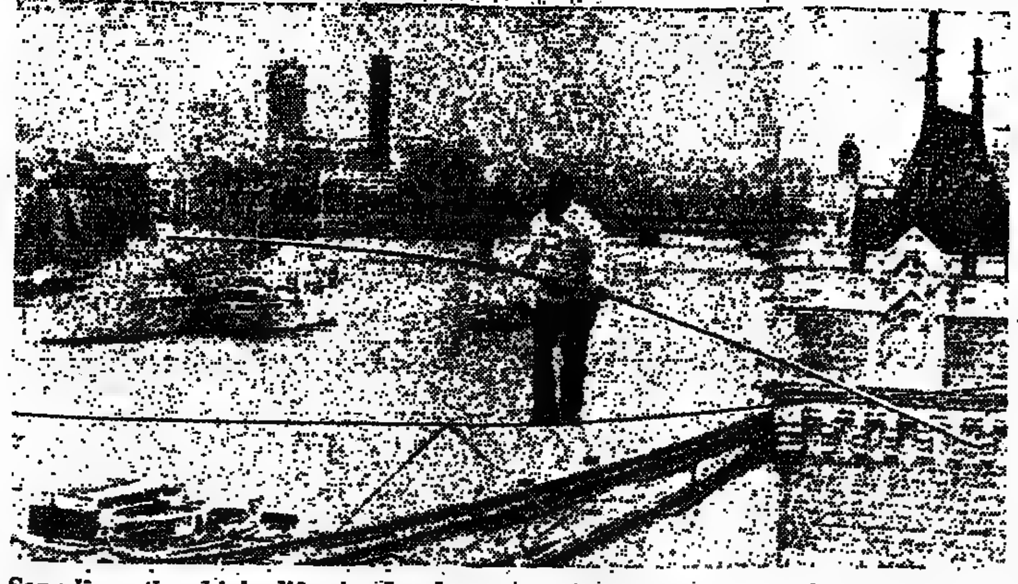
Slater hearing on extradition to-day

By Margaret Reid

FINANCIERS Mr. Jim Slater and Mr. Richard Tarling will appear at Bow Street Court this morning in the next stage of the proceedings on the Singapore Government's application for extradition.

Mr. Slater, former chairman of Slater Walker Securities, and his one-time colleague, Mr. Tarling, were remanded on £45,000 bail each at Bow Street on October 28.

They appeared at a preliminary hearing following allegations in Singapore of conspiracy and other offences connected with Haw Par Brothers International, the Singapore company in which Slater Walker formerly had a large interest.



Sampling the high life in London yesterday. 71-year-old wire-walker Karl Wallenda takes a breathtaking walk more than 100 feet above the ground near Tower Bridge. Mr. Wallenda is one of the judges of the Circus World Championships being staged at Clapham Common from to-day.

Building orders in September drop by £57m. to £505m.

BY IAN HARGREAVES, INDUSTRIAL STAFF

THERE WAS a further sharp fall last month in the value of orders placed with building contractors.

Provisional figures yesterday from the Department of the Environment show orders worth £505m. at current prices, against £562m. the previous month, and tend to confirm the industry's own gloomy predictions that 1977 looks like being a year of unrelieved recession.

Expressed in constant price terms, total new orders in July-September, 1976, were 15 per cent. down on the previous three months, and 4 per cent. lower than a year before.

In council housing, new orders were down 18 per cent. on the April-June period and 14 per cent. down on the corresponding quarter of 1975. The estimated value of orders in September was £91m., £11m. more than in August.

The value of new orders in the private sector increased by £9m. in September from £110m. the previous month. But in the whole three months to the end of September there was a fall of 12 per cent. on the April-June period and an increase of 13 per cent. on a year before.

New orders in public works last quarter showed an even more marked fall—down 22 per cent. on the second quarter of this year and 24 per cent. on July-September, 1975. At current prices, there was a £24m. decline to £157m.

A steadily declining trend is still in evidence for most types of public building contracts, and in one area—universities—there were no orders in September.

The only area to show a significant upturn was offices, garages, shops and factories, where contracts valued at £29m. were placed, a figure nearer to the totals recorded in June and July.

In the private industrial sector, orders placed in September were slightly higher than in August; up £6m. to £68m.

At constant prices, orders for private industrial building were down 15 per cent. on the previous quarter and up 12 per cent. on the third quarter of 1975.

Private commercial orders in September were valued at £71m., a drop of £57m. on August.

At constant prices, private commercial orders were up 3 per cent. between the second and third quarters and up 40 per cent. on the third quarter of last year.

Taxi surcharge

LONDON taxi fares, increased in July, 1975, are to be subject to a surcharge of 10p a journey from December 13. It was announced yesterday.

Home Office authorisation for the surcharge was expected following taxi-operators' requests for higher fares to help combat rising costs.

Accidents in pits increased in 1975

Financial Times Reporter

THE NUMBER of fatal and serious accidents in underground and opencast coal mines rose sharply in 1975, figures issued to-day by the Health and Safety Executive show.

Sixty-four miners were killed and 586 seriously injured compared with 48 and 497 in 1974. Underground transport accidents accounted for 34 per cent. of all reportable accidents and 35 per cent. of deaths. Transport was the greatest single cause of accidents and responsible for 40 per cent. of deaths underground

Twice as many killed in the year compared with 1974 was "a matter of real concern," particularly in view of the increasing effort at reducing transport accidents, says Mr. James Carver, the chief inspector of mines and quarries.

The advances in face technology had not been extended to transport operations elsewhere. A committee examining ways of improving vehicle safety and system design was expected to report before the end of the year.

The number of accidents due to landslips at the face had also risen, a reversal of recent trends, which Mr. Carver describes as "disappointing." As an immediate remedy, he says, a more searching and "disciplined" approach should be made before deciding to position men beyond the front row of props.

In the longer term wider use of broader hydraulically-operated forepoles and adoption of immediate forward support systems should help cut these accidents.

The most serious accident in 1975 was the explosion at Haughton Main Colliery, when five men were killed and one seriously injured. The recommendations after the inquiry were accepted by the industry. *Health and Safety: Mines and Quarries 1975. HMSO £1.75*

Short Brothers reconstruction writes off £5m. in State loans

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

E GOVERNMENT is writing loans of £5.05m. to Short hers and Harland, the Bel- aircraft manufacturer, as of the long-awaited big capi- reconstruction of the com- .

s a result of the reconstruc- the Northern Ireland De- nent of Commerce will hold per cent. of the capital of Realisations, which owns ts, while 33.85 per cent. will eld by the Department of stry and 2.35 per cent. each Harland and Wolff and the iver of Rolls-Royce Limited. eviously, the U.K. Govern- held 69½ per cent. of SB isations, while Harland and F and the Receiver of Rolls- e Limited each held 15¼ per

e capital reconstruction also des the waiving of interest ll outstanding Government s, conversion of the remain- 3.05m. loans into share capi- nd an increase in authorised capital from £2.5m. to 7m., of which £15.31m. is d, with the Northern Ireland Department of Commerce subscribing for 4m new £1 shares at par.

Outlining these changes yesterday, Mr. Roy Mason, the Northern Ireland Secretary, said the Department of Industry would retain its role of sponsor for the company in new programmes, while, "likewise, there will be no change in the company's close relationship with the Ministry of Defence."

The reconstruction had been undertaken because it had become clear the company could not sustain the burden of servicing Government loans of £14m.—as well as bank loan and overdraft facilities amounting to £9m.

Out of proportion

"Such a capital debt was out of all proportion to the company's authorised share capital of £2.5m." As a result of the changes, the gearing and capital structure were now realistic and commercial.

The major shareholder would now be the Northern Ireland Department of Commerce, in line with Government policy that a future devolved administration in Northern Ireland would have responsibility for, and control of, the local economy.

"These changes do not mean that there is any change in Shorts' access to the relevant departments in Whitehall. Moreover, the Board of Shorts will establish a close relationship with the Board of British Aerospace when that body is set up."

Commenting on Shorts' relations with the Ministry of Defence, Mr. Mason said the company would continue to be treated in the same way as any other firm in the U.K. aerospace industry, with access to the work of the Ministry's research and development establishments.

"The Ministry will continue to keep the company informed of relevant staff targets for Service equipment and the Services' operational requirements and will fully consider them in the award of purchasing contracts in appropriate fields."

SNP works out finance policy for independence

BY RAY PERMAN, SCOTTISH CORRESPONDENT

SCOTTISH National Party rday announced its banking finance policy, including achinery it would establish independent Scotland to xchange and interest rates create a domestic market Scotland's share of the nal debt.

e policy document will be ulated to large companies, s and other financial institutions, and trades unions for their comments, particularly on the difficulties which might be encountered during the transitional period.

Mr. Douglas Crawford, SNP MP for Perth and East Perthshire, and the party's spokesman on finance, said he had already talked to a number of people in the financial community, including stockbrokers Wood McKenzie.

After the party's recent statement that it believed an independent Scots pound would float to £1.20 against sterling, the Banque Swiss and another foreign bank had been to see the party and had talked about establishing operations in Scotland.

The Associated Scottish Life Offices, representing the nine Scottish life companies, had set up a special sub-committee to look into the implications of SNP policy on their operations.

There had been suggestions that a strong Scots pound would cause problems for Scottish industry, Mr. Crawford said. But they would be nothing compared to the problems caused by the weakness of sterling.

The policy document envisages a central bank, to be called the National Bank, exercising the powers now wielded by the Bank of England.

After independence no bank would be allowed to carry on business unless 85 per cent. or more of its voting shares were held in Scotland.

In the case of the Clydesdale Bank, which is wholly-owned by the Midland, it would mean at least temporary nationalisation until the shares could be offered for sale in Scotland.

Plastics companies study plan

By Rhys David

The Department of Industry is to finance a one-year study to improve the efficiency of plastics processing companies.

The project, which will be carried out in South Wales by Mr. Derek Robbins, formerly an executive with Fothergill and Harvey, will examine the performance of companies in plastics processing, the future plans and technical or other problems.

A total of 4,000 to 5,000 companies in Britain are engaged in plastics processing, with sales in 1974 of about £1.5bn. Two major reports on the industry from the National Economic Development Office, however, suggest there is considerable room for improving efficiency.

Mr. Robbins, who will approach companies in South Wales for co-operation, will examine ways of improving general management and technical skills, developing new markets and exploiting existing ones, and raising productivity and profitability.

South Wales has about 60 companies in the field and contains a representative sample of processors by size and by processes carried out. An injection moulding training centre has recently been opened in Cardiff by the Rubber and Plastics Processing Industry Training Board.

M62 completed

THE FINAL section of the M62 Lancashire-Yorkshire motorway will open to traffic on Saturday with the completion of the 3½ miles of westbound carriageway between Tarbock Interchange and Bowring Park Interchange on Merseyside.

LABOUR NEWS

Dockers accept curbs on ports control Bill

BY CHRISTIAN TYLER, LABOUR STAFF

THE BATTERED DOCKWORK Bill cleared its last hurdle yesterday when dockers' delegates accepted that the Bill would go on to the Statute Book with House of Lords' amendments greatly reducing its geographical reach.

With the Dock Work Regulation Bill due to receive the Royal Assent to-day Mr. Albert Booth, the Employment Secretary, accepted an invitation yesterday from Mr. Jack Jones, general secretary of the Transport and General Workers' Union, to explain the force of the amendments to about 80 delegates representing the majority of the 32,000 dockers, at a special conference in London.

No strike move

Despite their disappointment the delegates made no move to launch industrial action in protest at two important amendments. But after Mr. Booth left they voted 55-18 for a resolution insisting that the Government undo the amendments in the next session of Parliament and announce that intention in the Queen's Speech to-morrow.

It became clear that the Government is most unlikely to make any further move on this controversial measure for at least a year.

Mr. Booth told the TGWU dockers that if the Government had refused a deal and tried to put the whole Bill back in the next session, the Lords' opposition might have intensified and the whole measure been set back two of three years.

As it was the Bill had secured two of its three main aims, to set up a national definition of dockwork, including handling of containers, and to bring all U.K. ports, including places like Felixstowe and Colchester, into the dock labour scheme.

The geographical scope of the Bill can be widened later under the powers still in it.

In one respect the Lords' amendments, cutting a proposed five-mile cargo-handling zone all round the coast down to a half-mile "definable dock area" round harbours, have inadvertently widened the measure's scope.

Where formerly only one major inland waterway was covered — the Manchester Ship Canal — now depots within half a mile of all waterways where seagoing craft can sail will come under scrutiny as potential workplaces for dockers.

After the TGWU conference, Mr. Tom Cronin, national docks officer, said: "There was no question of strike action. But of course the members felt very concerned about the abstention of the two Labour MPs that left these amendments in, and about the persistent misrepresentation that the Bill means dockers taking other people's jobs."

Preston lobby

Meanwhile the TGWU is to lobby Mr. Booth and Mr. Eric Varley, the Industry Secretary, in the hope of preventing phasing-out of Preston Docks, Lancs., where there are 174 registered dockers and several hundred other employees.

Local officials of the TGWU went to see Mr. Jones yesterday. He said later that the question of a strike over the Conservative-controlled Preston Borough Council's decision did "not arise at the moment."

The port handles ferries, container ships and other cargoes.

R-R men consider peace offer

BY OUR LABOUR STAFF

WORKERS INVOLVED in a four-month old strike and sit-in at the Rolls-Royce (1971) aero-engine factory at Blantyre, Scotland, meet to-day to consider a new peace formula agreed after lengthy talks between management and national union officials.

The agreement improves the financial terms offered by the company for transferring the work-force about 15 miles to its Hillington plant and closing the Blantyre factory.

Under the offer employees will get £20 a week for 30 weeks to cover the extra costs of working in Hillington, and an immediate cash payment of £200. This would be followed by the payment of an additional £50 as compensation for disturbance.

The company has also agreed to pay all removal expenses incurred by workers who move house because of the closure.

Closing Blantyre will save Rolls-Royce about £500,000 a year once the initial closure costs are met. The move is necessary, says the company, because of a decline in demand for aero-engines as well as projected overmanning during the next five years.

The Blantyre workers claim that the closure would worsen the unemployment position in the area by taking jobs away from Blantyre and also by forcing the Rolls-Royce workers' families to seek jobs in Hillington, which already has high unemployment.

The strikers fear that the Blantyre closure could be the first of other closures if the company's trading position does not improve.

January date for report on democracy

By John Elliott, Management Editor

THE REPORT of the Bullock inquiry on industrial democracy in the private sector is expected to be published by the Government in about the third week in January recommending legislation to put trade union representatives on the Boards of the country's 600 largest companies.

This timetable emerged yesterday after it was confirmed in a House of Commons answer that the Committee should have completed writing the report by the end of next month.

Final drafting of the report is in progress and a note of dissent is also being prepared by two CBI nominees on the Committee, Mr. Barrie Heath, chairman of GKN, and Sir Jack Callard, former chairman of ICI. They may be joined by Mr. Norman Biggs, chairman of Williams and Glyn's Bank.

The main report will recommend that trade union representatives should be elected to the Boards of private sector companies employing 2,000 or more workers in a single-tier company structure.

They would be given the same number of seats as shareholder representatives and, under a formula known on the Committee as "2x + y," these two groups would jointly choose people to make up the third section of the Board.

This system would operate where the trade unions involved in a company ask for it, subject to a ballot in which all the employees — whether trade union member or not — entitled to take part.

Following publication of the report, the Government is expected to publish a White Paper and then a Parliamentary Bill. Pressure on Parliamentary time may, however, mean that the Bill would not go through all its stages until the 1977-78 session.

Hopes rise of rail men ending Tyne and Wear blacking

BY ALAN PIKE, LABOUR STAFF

HOPES ROSE considerably yesterday of ending a blacking action by train drivers which is increasing the possibility of the £160m. Tyne and Wear Metro project being axed by the Government.

After a 3½-hours meeting in Newcastle-upon-Tyne — attended by officials of the Associated Society of Locomotive Engineers and Firemen, representatives of the Northern Regional Council of the TUC and Tyne and Wear County Council—there was agreement that the status quo on manning and other problems will be maintained until national negotiations decide otherwise.

ASLEF drivers are blacking the project in a dispute with the Transport and General Workers Union over who should drive the new Metro trams.

A recommendation that they accept the status quo undertaking —which should have the effect of ending the blacking—will be put to an ASLEF meeting on Sunday.

The future of the Tyneside rapid transit project has been in doubt all year because of the Government bid for public spending controls and a complete review of the plan has recently been undertaken by the Department of Transport.

Mr. William Rodgers, Transport Secretary, has made it clear that, among other conditions, he would not be able to recommend the continuation of the scheme to the Cabinet unless trade union support was ensured.

Other unions involved have promised their co-operation and Tyne and Wear councillors hope that, as a result of yesterday's meeting, ASLEF men will now do the same.

Mr. Michael Campbell, leader of the county council, said after yesterday's discussions that he was "delighted" with the outcome. "I am confident that local ASLEF members will now accept advice and lift the blacking."

Trustee Savings Banks pay claim talks called

BY DAVID CHURCHILL, LABOUR STAFF

TRADE UNION and management representatives at the Trustee Savings Banks will meet Department of Employment officials to-morrow to present fresh evidence in their claim for substantial pay rises for operating the banks' new personal loan scheme.

This should have begun yesterday, but the National Union of Bank Employees' 1,350 members involved refused to co-operate until the Department had passed the pay rises of £700 and over, which had already been agreed with management.

The union claimed yesterday to have written proof that it had agreed the scheme both in principle and detail before the pay policy was introduced in August last year, and that the increase should be allowed under the current guidelines.

It quoted the example of some 2,000 Massey-Ferguson white-collar workers to be given rises of up to £20 a week because a job evaluation scheme was agreed in detail before the pay policy was introduced.

NUBE achieved a significant breakthrough in worker participation in banking yesterday when two union representatives were appointed to the new Trustee Savings Banks Board responsible for administering its pension fund.

This is the first time the union has been able to achieve participation in any major governing body in the banks, despite seeking only limited participation and not the equal representation demanded by official TUC policy.

Greig's mission to India

CRICKET

BY TREVOR BAILEY

ENGLAND, under the captaincy of Tony Greig, set out to-day for India on what is bound to prove a very difficult Test tour. The Indians are always formidable opponents in their own country and are capable of beating, or at any rate containing, far stronger teams than the MCC party which leaves this morning, which looks to be distinctly short of great batsmen and outstanding bowlers.

The one problem which Greig and company do not have to worry about is pace bowling, which was instrumental in their losing the last three Test series, twice to Australia and last summer against the West Indies.

Despite reservations about the England party, this could be a very close series. The chances are that two, or possibly three, of the Tests will be drawn, because the pitches tend to be exceptionally true and placid.

These conditions, combined with the heat and fast outfields, often make bowling in India a hard and unrewarding job, but fortunately the Indian batting does not look to be all that formidable—indeed, it is probably not as strong as England's —so that a couple of breakthroughs are by no means impossible or unlikely. These, together with the probability of at least two high-scoring draws, could well decide the issue.

The main threat to MCC's chances are the Indian spinners, who are world-class. They are not only likely to be devastating on any pitch which gives them a little assistance but, more important, on friendly batting wickets they possess considerably more penetration than their English counterparts.

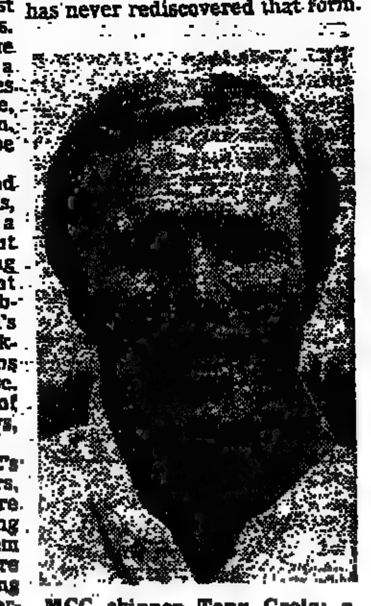
Bedi, with his classical action and teasing flight, and Chandra, who bowls his legbreaks and googlies at near medium pace, will cause considerable problems and Greig will have to ensure that this fine pair are not allowed to dominate.

He has the batsmen to do this and there should be no shortage of runs. One of the strongest features of his side is the exceptional depth of the batting which will allow all-rounders like Old and Miller to come in low down the order, while both the wicket-keepers, Knott and Tolchard, are prolific run-getters.

It would come as no great surprise if Tolchard gained a place purely as a batsman, because he is one of the best and most positive players of spin in English cricket.

Although Amiss had an unhappy time on his last Indian tour he should score heavily, while the experienced Fletcher is an expert at dealing with a turning ball on a difficult wicket. Much is hoped for from Woolmer, Randall and the exciting Barlow, although sadly, even if all three succeed, it will mean nothing in terms of finding batsmen capable of dealing with Australian pace next summer.

Unfortunately, the English attack lacks a really quick bowler and ideally is carrying one too many off-break bowlers, assuming that Greig uses himself entirely in this role. It will be remembered that he was highly successful in this style in the Caribbean, but subsequently, hindered by his need to bowl seam for Sussex, has never rediscovered that form.



MCC skipper Tony Greig: a win would be outstanding.

His height, of course, enables him to achieve that little extra bounce, which could be a great asset against the diminutive Indian batsmen.

I believe that the English seam quartet, all great triers—an essential requisite out there—will do better than might be expected from their rather modest records.

Other hazards that MCC are likely to encounter are upset stomachs, extremes of heat and some umpires whose interpretation of the laws may well not be appreciated.

If Greig can draw this series he will have done well. If he wins, it will be an outstanding achievement.

The MCC party: Tony Greig, Sussex, capt; Mike Brearley, Middlesex; Dennis Amiss, Warwicks; Graham Barlow, Middlesex; Geoff Cope, Yorks; Keith Fletcher, Essex; Alan Knott, Kent; John Lever, Essex; Geoff Miller, Derbs; Chris Old, Yorks; Derek Randall, Notts; Mike Selvey, Middlesex; Roger Tolchard, Leics; Derek Underwood, Kent; Bob Willis, Warwicks; Bob Woolmer, Kent.

World Value of the Pound

The table below gives the latest available rates of exchange for the pound against various currencies on November 22, 1976. In some cases rates are nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

Exchange in the U.K. and most of the countries listed is officially controlled and the rates shown should not be taken as being applicable to any particular transaction without reference to an authorised dealer.

Abbreviations: (S) member of the sterling area other than Scheduled Territory; (k) Scheduled Territory; (o) official rate; (F) free rate; (T) tourist rate; (n.c.) non-commercial rate; (n.a.) not available; (A) approximate rate no direct quotation available; (sg) selling rate; (bg) buying rate; (nom.) nominal; (ex/c) exchange certificate rate; (P) based on U.S. dollar parities and going sterling dollar rate; (Bk) bankers' rate; (Bas) basic rate; (cm) commercial rate; (cn) convertible rate; (fn) financial rate.

Sharp fluctuations have been seen lately in the foreign exchange market. Rates in the table below are not in all cases closing rates on the dates shown.

Place and Local Unit	Value of £ Sterling	Place and Local Unit	Value of £ Sterling	Place and Local Unit	Value of £ Sterling
Afars & Issas Djibouti Franc	293(sg)	Germany West Deutschemark	3.95¼	Paraguay ...... Guarani	208.54
Afghanistan... Afghani	74.0(A)	Ghana (S) ..... Cedi	1.95	P'ple's D. Rp. of Yemen (S) S. Yemen Dinar	(A)0.58575
Albania .... Lek	(O)10.10(A) (n/a)	Gibraltar (K) Gibraltar £	1.00	Peru .... Sol	exc A111.15
Algeria .... Dinar	6.90	Gilbert & Ellice Is.(S) Aust. Dollar	1.3529	Philippines... Ph. Peso	12.5500
Andorra .... French Franc	8.20¼	Greece .... Drachma	59.518	Pitcairn Is.(S) £ Sterling	—
Andorra .... Spanish peseta	112.50	Greenland ..... Danish Kroner	9.72¼	Pitcairn Is.(S) New Zealand $	1.5875
Angola .... Angola Escudo	n.a.	Grenada (S) ... E. Caribbean $	4.4462	Poland .... Zloty	(Cm)34.88 (T)55
Antigua (S)... E. Caribbean	4.4462	Guadeloupe ... Local Franc	8.18		
Argentina ..... Ar. Peso Free Rate	410.82	Guam .... U.S. $	1.6469		
Australia (S) Australian $	1.3528	Guatemala .... Quetzal	1.6469	Portugal .... Port. Escudo	52.10
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

هكذا من الاجل

Quentin Guirdham on the fortunes of the Burton Group

Burton's Boardroom change

HE BURTON GROUP, the rgest tailoring and menswear eration in Britain, is in the w point of a long decline. It ll declare a loss for the year d there are doubts about the vidend. The share price has opped so low as to force the oup to ask shareholders to ncel the executives' share in- ntive scheme.

It has now decided on a man- ement reshuffle, which pro- otes Mr. Cyril Spencer to oup managing director after tle more than a year as a full rector. Mr. Ladislas Rice, red as chief executive in 1969, d until now combined this le with being a joint chair- an. He now becomes the sole irman. Mr. Raymond Burton, e of the family which controls e group, has been appointed esident, though he will keep r seat on the Board.

It is not the first Boardroom uffle of recent years, though e changes and departures have t reached this high in the nagement before. Many will e it as in some measure a tory for pressure from the y, with both institutions and ckbrokers J. & A. Scrimgeour ving criticised the group's cent policies.

Hot summer

Whether or not yesterday's anges mark a radical change these policies, Burton will ll not easily escape from its story. For two decades now it s suffered from being a ailer tied into manufacturing d equally being seen by many a property empire which ppened to trade. The hot mmer was the last straw ich tipped the group toward, not into, losses—suit sales in itain fell by 400,000 to 3.4m. the first half of the year. But e problems of Burton go back ich further.

The strength of Burton's operty assets, and the doubt- l privilege of being the top mpany in a declining mens- ear market, are both the crea- ons of the founder, Sir ontague Burton, a brilliant novator in his day, but also man conservative enough to slike having telephones in his ops.

In some senses, the whole of he group's history, since he ied of a heart attack in 1952, has been the story of attempt- ing to convert huge trading and property assets, built up over the first half of the century, to the markets of the second half.

What Sir Montague had exploited better than any rival was the working class market for the made-to-measure cloth suit. From the Leeds base of so many clothing empires, he saw that this could be done, in a series of standard adjustments to size and styling, from the basis of a factory assembly line worked by women, rather than the small workshops of the traditional Jewish tailors in the East End of London.

There were many rivals — Moses Jacobsen of Jackson the Tailor, Simon Lyons of Alexandre, Sir Henry Price of Fifty Shilling Tailors—but by the 1930s, when he was at times opening a shop a week, Burton had become the largest seller of suits in Britain. Made-to-measure meant one did not tie up capital in large stocks of suits for customers to try on and, at least in prosperous times, it could be said to be a labour-saving method, since it took staff little time to run a tape measure over a buyer and assure him the suit would be ready in ten days.

At the same time that this trading strength was built up, Burton also developed probably the best property portfolio of any retail chain. He is best known for his insistence on corner sites, a strength he apparently realised before choosing the best retailing pitch became more of a science. Many of the sites acquired had been public houses. He often turned the spare space upstairs into bil- liard halls. While this all has a very pre-war flavour to it, the most famous corner site acqui- sition was not till 1947, when he bought the Peter Robinson store at Oxford Circus, sold the freehold to the Prudential In- surance, sub-let the upper floors to the Iraq Petroleum Company, and in effect won himself one of the best trading sites in Lon- don for no outlay.

This was the more formidable side of Sir Montague Burton's market acumen. But he also had failures and, when he died, the company was suffering a cash crisis due to his massive forward buying of wool during the Korean War. The com- pany's bankers, Kleinwort Benson, had to be called in to mount a rescue operation, and they hit on the solution of buying out one of the early rivals, Jackson the Tailor, pay- ing £2m. and acquiring new management in the shape of the founder's sons, Lionel and Sydney Jacobson.

The problems they faced were of a changing fashion to ready- to-wear suits. The made-to- measure market peaked in the 1950s and the company, or at least the Burton family which still controlled it through a two-class structure, was by the 1960s believing that the group was short of management, par- ticularly retail management. Burton appeared to be rooted by its old-fashioned image in a market moving toward Carnaby Street, and progres- sively the company's manufac- turing capacity has suffered against the flow-line techniques adopted by the Swedes and other sophisticated producers.

In 1964 there were talks, which came to nothing, with another of the old rivals, the Lyons family which had sold their Alexandre chain to United Drapery Stores but had been retained to manage the larger group. When, in 1967, the family did agree terms with UDS, one stated reason for the merger was the need of UDS's top management.

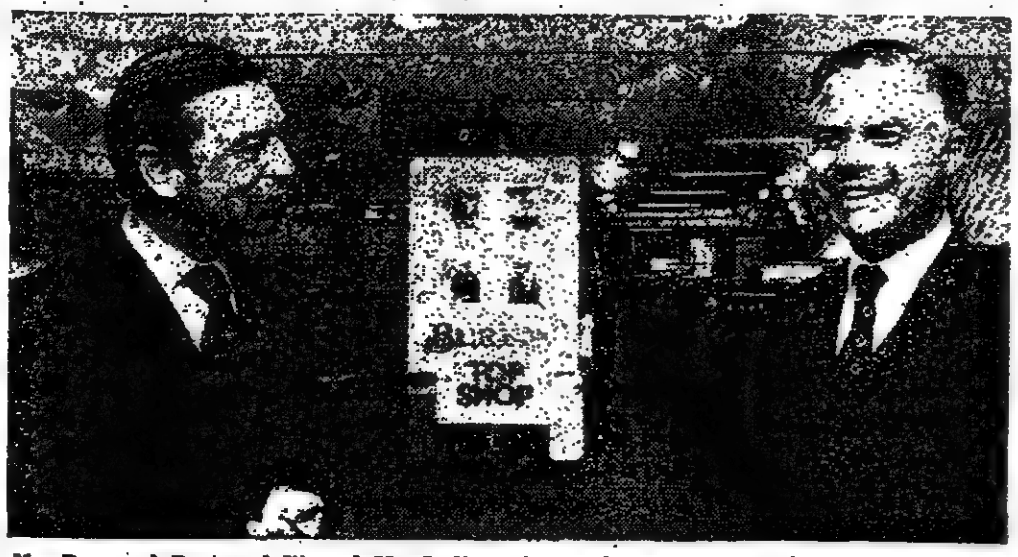
The UDS offer for the group, then still called Montague Burton, was worth £56m. and would have created an organisa- tion with assets of £180m. But the Monopolies Commission killed the merger. The reasons given included the serious reduction in the retailing com- petition which existed between the two groups.

Back to square one, Lionel Jacobson went out to find a new chief executive and in June, 1969, Ladislas Rice was appointed. He came from Minerals Separation, had a long management background with consultants Urwick Orr and Partners, and Harvard Business School. He confessed to know- ing nothing much about the clothing business and proceeded to establish a new type of management for the group, based in London rather than Leeds, saying the company was ready for the switch "from family to professional manage- ment." Ironically, the new group managing director, Mr. Cyril Spencer, is something of both, his family's business being the Evans Outsizes subsidiary.

Until 1973, the new strategy was based on expanding and diversifying, with the idea of reducing the dependence on men's wear. This led to the acquisition of Evans Outsizes, the Ryman office supplies busi- ness (both in 1971), and Greens Leisure Centres (1973). In addition, the group launched a chain of children's wear shops called Orange Hand, and Jack- son the Tailor launched Break- out Stores, also aimed at the younger market.

The success of these new deve- lopments has been mixed. Office and leisure retailing last year produced losses of £0.9m. and Greens has recently been sold to Debenhams. Orange Hand was closed after losses. While the womenswear flagship Peter Robinson continued to make losses last year, its new Top Shop, selling clothes for younger women, produced good profits.

While some of these diversifi- cations had been an attempt to utilise the prime high street sites to better advantage, the group also attempted to capita- lise directly on its property by floating off some of its interests into a separate quoted company, Montague Burton Property In- vestments, in 1972. It was a good time to sell property shares to the public but a bad one to acquire further develop- ments, on which the new com- pany spent £18.6m. This year the group bought the shares back at the same price they had issued them, bringing back to the group net tangible assets of £30m.



Mr. Raymond Burton (left) and Mr. Ladislas Rice (right) now respectively president and sole chairman of Burton Group.

The root of the problem remains, however, the mens- wear operation. After substan- tial rises in profits in 1971-73, the last three years have been affected by the national decline in the sales of suits. All manu- facturers' deliveries totalled 8.1m. suits in 1973, but 1974 and 1975 showed only 7.5m. each and the value of the mar- ket increased with inflation, from £114.5m. in 1973 to £127m. in 1975 (before the inevitable dip in this year's total) the growing level of imports has been the significant factor for Burton's manufacturing side (last year showing a loss of £0.7m.). Imports in quantity terms have risen from only 7 per cent. in 1971 to 23 per cent. in 1973 and 35 per cent. last year. In value terms they have climbed from 19 per cent. in 1973 to 27 per cent. in 1975.

Burton had to join in the importing to maintain a chal- lenge to the discounters in the market. Like UDS and GUS it closed manufacturing plant at home. Now, with the fall of sterling and some import restrictions, it is arguable that the Hepworth policy of holding and improving its manufactur- ing capacity is the one which will pay off.

Rice has tackled the extremely complex problems of Burton's image and potential in the menswear market with a series of management measures which included integrating the business with its own manufac- turing and administrative services in 1974-75 and a stronger co-ordination of the two arms of Burton and Jackson.

But the solutions have still not proved financially satis- factory, with rental income from the group properties which are sub-let last year providing over £3m. against the £2.59m. from the trading operations. The net profit of £2.38m. also included £1.15m. of property sales. The group was still living off the property fat so astutely bought by its founder.

It seems that the founding and controlling family now feel a new man is needed to reverse this trend. And Mr. Rice him- self, in explaining the manage- ment changes, also talks of further structural changes in co-ordinating the various cloth- ing interests and in strengthen- ing the retailing skills at the top of the company.

He remains chairman of the group known as the chairman's Board which controls company policy. He also states that the "desirability of not combining the very different roles of chairman and managing direc- tor" formed a background to discussions before the changes and that while his joint chair- manship with Mr. Raymond Burton had been harmonious, it was not intended as a long-term arrangement.

So there remains some doubt about where power within the group now lies, though Mr. Spencer is clearly the day-to-day manager. The change in Mr. Rice's status will inevitably (particularly by critics in the City) be seen against the back- ground of seven difficult years which have culminated in an expected loss, to be announced in mid-December, which could run as high as £3m.-£5m.

PARLIAMENT

Narrower trade deficit with EEC

Financial Times Reporter

A "SLIGHT" improvement in Britain's still large trade deficit with her EEC partners was welcomed by Mr. Edmund Dell, Secretary for Trade in the Commons yesterday.

"So far this year, there has been an increase of 42 per cent. in the value of our exports to other EEC countries, and a 28 per cent. increase in imports, compared with the corresponding period of 1975," he said.

Mr. Dell's acknowledgement that there was still a large trade deficit with the EEC was seized on by anti-Marketeer Mr. Dennis Skinner (Lab Bolsover) as the basis for a renewed demand that Britain should "get out of the Common Market."

Bluntly refusing to accept this view Mr. Dell pointed out that apart from the slight improvement so far this year in trade generally, a comparison based solely on manufacturing products would show an even greater improvement.

When reminded that the terms of the Treaty of Rome permitted member countries to take action to protect their balance of payments, Mr. Dell pointed out that there were other members of the EEC who also had deficits and high unemployment.

Mr. Michael Meacher, Under-Secretary for Trade, told MPs that Britain was increasing her volume of exports to OPEC countries faster than any of her competitors.

Accounting document promised

Financial Times Reporter

DECEMBER 1 was named as the publication date for the "exposure draft on current cost accounting" by Mr. Stanley Clinton Davis, Under-Secretary for Trade in the Commons yesterday.

He stated that officials of the department had kept closely in touch with the work of the Inflation Accounting Steering Group in preparing for the publication of the document.

Making his debut on the Opposition front bench as the new Conservative junior trade spokesman, Mr. Cecil Parkinson, condemned "foolish criticism" of industry over the low level of investment.

He claimed that accounts prepared on an inflation accounting basis would show that very few British companies were making profits or had been making profits in recent years.

Mr. Davis declined to comment in advance of the publication of the document.

Written Answers

TREASURY

Mr. John Ovenden (Lab., Gravesend). What recent representations have been received urging tax relief on fares incurred in travel to work?

Mr. Robert Sheldon, Financial Secretary. I receive a considerable number of representations on this subject but I do not think that it would be right to single out this particular form of expenditure for tax relief.

*

Mr. Michael Marshall (Cons., Arundel). What is the current value of the £ sterling, taking it to be worth 100 pence in November 1971?

Mr. Denzil Davies, Minister of State: Taking the internal purchasin gpower of the pound as 100p in November 1971, its value in October 1976, the latest date available, is estimated to be 50p. This estimate is based on the change in the General Index of Retail Prices.

*

Mr. Nigel Lawson (Con., Blaby). What is the current rate of inflation, as defined by the rise in the retail price index over the three months to October 1976 expressed as an annual rate?

Mr. Sheldon. 19.7 per cent.

PRICES

Mr. Robert Woof. By what criteria or authority the Price Commission acts to enforce on companies the requirement under the *Price Code* to reduce or increase prices, if raw materials costs fall or rise?

Mr. Robert Maclennan, Under-Secretary. Under section six of the Counter-Inflation Act 1973, the Price Commission has a duty to enforce the provisions of the Price Code. It has power to issue orders or notices restricting prices or charges in accordance with the code. Any breach of such an order or notice would be a criminal offence. Raw material costs are only one of a number of the factors which determine permitted price levels under the Price Code. The commission has no power to require prices to be increased.

Ship repair row reaches new intensity

Varley hits at Tory peers after Bill's 107-vote setback

BY JOHN HUNT

AS THE OLD session of Parliament drew towards its close yesterday, the battle over nationalisation of the ship repair industry reached a new pitch of intensity, with the Lords continuing their bitter opposition to the Government's proposals.

Amid angry recriminations between the two Houses, the Opposition peers rejected the nationalisation plan for the third time when the Aircraft and Shipbuilding Industries Bill was returned to them from the Commons.

Tory peers joined forces with 16 Liberal peers and 27 cross-benchers to throw out the ship-repairing proposal by a huge majority of 107 (197-90). Lord Shinwell, aged 92, the veteran Labour peer, voted with the Tories after delivering a blistering attack on the Government and the Left-wing of the Labour Party.

The peers then sent the Bill back to the Commons once more, with the defiant message that they were rejecting the State ownership of the 12 ship-repairing companies because nationalisation would make them less competitive and less able to provide employment.

But by a majority of eight (276-268), the Government won a division in the Commons insisting on the inclusion of ship repairing in the legislation. The Bill was then shuttled back to the Upper House. Mr. Eric Varley, Industry Secretary, urged MPs to stand their ground and reject the Lords amendments. If the Lords persisted in their course, the entire Bill—including the provisions for the nationalisation of shipbuilding and aerospace—would have to be re-introduced in the new session, which starts to-morrow.

The "disastrous" consequences for all the industries concerned would then rest squarely on the shoulders of the Tory peers, he maintained.

Much the same warning had been given by Government spokesman, Lord Melchett, in the Lords. He predicted loss of jobs in the aircraft industry and a collapse of merchant shipbuilding that would be "catastrophic for whole communities in regions such as Tyneside and Clydeside," if the Bill was delayed.

Lord Melchett said that the alternative to the Government's policy was a disorderly and unplanned crisis. Time was short. Responsibility for further delaying the Bill rested squarely with the Opposition peers.

Conservative spokesman Lord Campbell of Croy said the Lords had only insisted on the removal of the ship repairing industry, leaving the rest of the Bill fully operative and comprehensive.

Much as the Tories disliked nationalisation proposals for the other three industries, the Government could have obtained the Bill to nationalise them last week. "The Cabinet can still to-day obtain the Royal Assent, leaving open the option for a short Bill on ship repairing at the beginning of the next session."

Lord Campbell said that one possible deplorable reason for the Government's attitude was that it was determined to blame the Lords for any reverses or disasters the shipbuilding and aircraft industries might suffer during the year.

He attacked the use of words like "catastrophic" and "disastrous" in attaching blame to the Lords. "If the Government believes what it says, its failure to go ahead with the Bill minus ship repairing, is, by its own words, 'an unprincipled act of cynicism'."

No one could pretend that the nationalisation of ship repairing was urgent. So why was the Government delaying the rest of the Bill when it said the delay would cause disastrous consequences?

Blaming the Lords for delaying the Bill would be "as shabby and squalid a device as resorted to in Britsh politics," added Lord Campbell to Opposition cheers.

Ship repairing was a most unsuitable industry for nationalisation. Anyone with any knowledge of the industry knew it, and most Cabinet Ministers must, by now, know it.

The Government should think again and introduce a Bill in the next session to nationalise ship repairing on its own merits. That would be a better test of their case.

For the Liberals, the Earl of Kimberley said the House was faced with two alternatives: "to climb down or to stand firm and do our constitutional duty." He warned peers that if they stood firm, "our country, our freedom, and our democracy will stand firm."

If the Lords shirked their responsibility, the Upper House might just as well not exist. Unless there was some form of electoral reform, the country would become, in a short time, another Iron Curtain country.

Lord Shepherd, a former Leader of the Labour peers, warned the House against confrontation. The power of delay was invested in the Lords for issues of "very great principle."

The present issue was not a great issue of principle but "a matter of detail," he argued.

The Opposition had now made its views clear and had made the Commons reconsider the Bill again and again. If the Opposition pursued the issue, the consequences would be profound. "The relationship between these two Houses will be shattered, perhaps for all time."

Lord Shepherd said he shared with Lord Carrington, Leader of the Opposition, a desire for reform, but added, to support from the Labour benches: "A reform, as a consequence of the act contemplated to-day, would be a reform of the very worst order."

Lord Byers, the Liberal leader supported the Conservatives' view that ship repairing was not a proper candidate for nationalisation at the present time.

He said: "I find the argument of Lord Melchett illogical and specious. If the Government decides to use the Parliament Act, that will be their responsibility, not the responsibility of this House."

Lord Shinwell (Lab), argued that it was possible for the Government to decide even now that if some of the ship repairing companies wanted to be included in the nationalisation scheme, they could make application and the Government could accept it. That would avoid anything in the nature of a confrontation and everybody would be satisfied.

He said the shattering of the relationship between the two Houses was precisely what some Cabinet members wanted, and he named Energy Secretary, Mr. Anthony Wedgwood Benn and Leader of the House, Mr. Michael Foot.

Lord Shinwell said the Government could give way without any loss of dignity. "They have got to deal with the Left-wing sooner or later anyway, before the next election." He urged Tory peers to "stand firm whatever the consequences."

Lord Carrington said that the Government was determined to go its own way. "They will accuse us of unconstitutional behaviour, and they will threaten us with abolition, extinction and hell fire."

He added to Opposition cheers: "There is no point in having a second chamber that gives way to blackmail and threat."

Lord Peart, Leader of the House, said he believed in the Lords as a revising chamber and in reform of the House, but to leave out one of the main parts of the Bill was not revision when it was an integral part of the Government's policy.

War and peace

While veteran Labour peer Lord Shinwell (left) backed Tory opposition to the Bill, Lord Shepherd (right), former Labour leader in the Lords, warned against confrontation with the Commons.

'Shipbuilding unlikely to survive . . .'

Stressing the Government's intention to reintroduce the Bill, Mr. Varley told the Commons that there would be no improvement in compensation. And there would be the same safeguarding provisions and effective dates.

There should be no false expectations, and no misunderstandings about any financial benefits "resulting from the obduracy of the Lords."

Mr. Varley said there had been a vigorous and determined campaign against the Bill, with Bristol Channel Ship Repairers in the forefront. They had staged a misleading public relations exercise, and "bullying tactics" against some of their employees.

"In future, the House of Lords will be known as Mr. Bailey's poodle," he said. (Mr. Christopher Bailey is chairman of the company). But even this "thrusting, stand-on-your-own-feet company" had been to the Government to ask for £20m. of aid.

Mr. Varley said that if the Bill was not on the Statute Book soon, the consequences would be catastrophic. "The shipbuilding industry is unlikely to survive without public ownership and substantial Government support."

The responsibility rested entirely with the Tory peers, aided and abetted by the Tories in the Commons, he declared.

Mr. Tom King, for the Opposition described the Government's decision as "incredible." It was motivated by a personal sense of resentment against Bristol Channel Ship Repairers—one company which had had the nerve to fight.

"It is a policy motivated by a feeling of malice towards one particular company in this industry," he claimed.

Liberal industry spokesman Mr. Richard Wainwright said that Liberal resistance to the Government's policies had been reinforced by what had happened in the past few days.

"They have strained at the gnat of ship repairing when, if they had swallowed it, the whole Bill could have been theirs. The responsibility for the continued and damaging state of suspense is entirely theirs," he added.

Mr. Dafydd Wigley (Plaid Cymru, Caernarvon) claimed that the Government had been under such pressure that they wanted to lose the Bill. His information was that one shipbuilding company was so near to going to the wall that it would probably collapse early next year.

The Government wanted to see it collapse before the Bill went through so as to assert that that was what happened under private control. There were scornful shouts of "rubbish" from Labour MPs.

For the Scottish National Party, Mr. Gordon Wilson said his party would be happy to support not only the abolition of the House of Lords but also "these antediluvian titles."

Official Secrets Act for reform as soon as practicable—Rees

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

THE OFFICIAL Secrets Act—much critiised as too severe and an indiscriminate "blunderbus" in its operation—is to be reformed by the introduction of a more liberal system as soon as it is practicable to bring forward the necessary legislation.

But Mr. Merlyn Rees, Home Secretary, announcing this intention in the Commons yesterday, stressed that there would certainly be no time for the proposed Bill during the new Parliamentary session starting this week.

Mr. Rees outlined proposals for replacing with a different system the most widely condemned clause of the 1911 Official Secrets Act—Section 2 which makes it a criminal offence to disclose official information without authority.

"The Government has concluded that this section should be replaced by an Official Information Act on the broad lines recommended by the Franks Committee," he said.

Indeed, the Government believed that its intended system would be more liberal than that proposed by the Franks Committee, whose membership included MPs and the media. But both the Tory and Liberal parties accused the Government of mishandling the matter.

Mr. William Whitelaw, shadow Home Secretary, saw no point in the Home Secretary making his statement of intention now since legislation was not intended in the coming year.

What was needed, said Mr. Whitelaw, was a White Paper or Green Paper to promote public discussion of the Government's ideas for reforming official secrets law. But, on the broad needs in this field, particularly where national security was involved, the Government would have the full support of the Opposition.

Mr. Alan Beith, for the Liberals, complained that the statement was nothing more than a "softening up" for the absence of the necessary Bill from the Government's programme for the coming session.

Mr. Rees insisted that it was necessary to be clear about the reforms to replace the Section 2 "blunderbuss" with its invocation of the criminal law.

"The Government accept the Franks Committee's general approach to the problem. But, in considering the categories of information that ought to be protected by the criminal law, we think it right to draw a clearer distinction between home and economic policy on the one hand, and security and intelligence, defence and international relations on the other."

Disclosures in the domestic field would generally not result in serious damage to the national interest, and in the economic field, the Government had reached the conclusion that a criminal sanction was not justified.

"The Government also proposes to depart from the Franks recommendation that there should be a criminal sanction for the disclosure of Cabinet and Cabinet Committee documents, irrespective of their content and security classification."

But some special protection to safeguard the doctrine of the collective responsibility of the Cabinet, was nevertheless needed, Mr. Rees maintained, and MPs on both sides pricked up their ears as he dealt with this sensitive aspect.

"The bulk of Cabinet and Cabinet Committee documents deal with domestic affairs," the Minister pointed out. "The protection of these documents is a matter basically of trust and good sense among colleagues." Proposals for improving document security could be expected shortly, he suggested.

But the Government had concluded that Cabinet and Cabinet Committee documents should be protected by criminal sanctions only when their content and security classification required it.

Criminal sanctions would be used to protect particular categories of information, such as certain law and order information, as well as disclosure for gain. And on the particular aspect of gain, Mr. Rees indicated that what the Government *had in mind* was the recent public anxiety over corruption.

Information relating to security and intelligence matters should form a separate category, in the Government's view.

Unauthorised disclosures in certain areas of defence policy and strategy and of international relations where this would be against the national interest or prejudicial to the safety of British citizens would also be specially categorised—more widely than Franks proposed—and protected by criminal sanctions.

But, in general, the Government considered its conclusio represented a system mor liberal than that proposed the Franks Committee, althou much detail remained to worked out, said the Ho Secretary.

Finance institutions review nearer

THE TERMS of reference and the membership of the joint Department of Trade and Bank of England body which is to review the role and function of financial institutions in the U.K. will be announced within the next few weeks, Mr. Edmund Dell, Secretary for Trade, told the Commons yesterday.

Denying a suggestion by Mr. Tim Renton (C., Mid-Sussex) that the real purpose of the review was to muzzle for the time being Left-wing Labour demands for the nationalisation of the clearing banks, Mr. Dell stated that the main purpose was to improve the supervision of the securities market.

Replying to Mr. Ian Wrigglesworth (Lab., Thornaby), Mr. Dell said he had no doubt that the takeover panel would have consultations with the new body on relevant matters. He gave an assurance that the establishment of the new body would not pre-empt any decision or recommendation which the Government might wish to make regarding a different way of supervising the securities market.

Pay beds challenge dropped

By John Hunt

THE HEALTH Services Bill which will phase out pay beds went through its final stages in the Lords yesterday. Opposition peers did not insist on more than 60 amendments they had made so the way is now open for the measure to become law.

This means that apart from the Aircraft and Shipbuilding Industries Bill, the Government has now put through all its legislation which was held up in the battle with the Lords during the present "spill-over" session.

FOREIGNERS ARE BUYING BRITISH, EVEN IF THE BRITISH AREN'T.

In the last 4 years 12 countries have bought the Hawker Siddeley HS125 Executive Jet. We financed the buyers to the value of £12 million.

Home markets may be depressed but the predicted recovery of world trade has started right on time.

By the end of this year it will be up an estimated 10%. Welcome news for a country like ours that lives by its exports.

So why aren't British salesmen coming home with bulging order books?

Why aren't factories working flat out to bring foreign currency rolling in? Why isn't our balance of payments being tipped the other way?

We believe it's because too many people are leaving it to someone else to make the effort. Thinking that they're too small. And it's only the ICIs and the Leylands that can go after dollars and Deutsche marks.

But they are wrong.

Every company, no matter what it makes, no matter how small it is, can chase foreign orders.

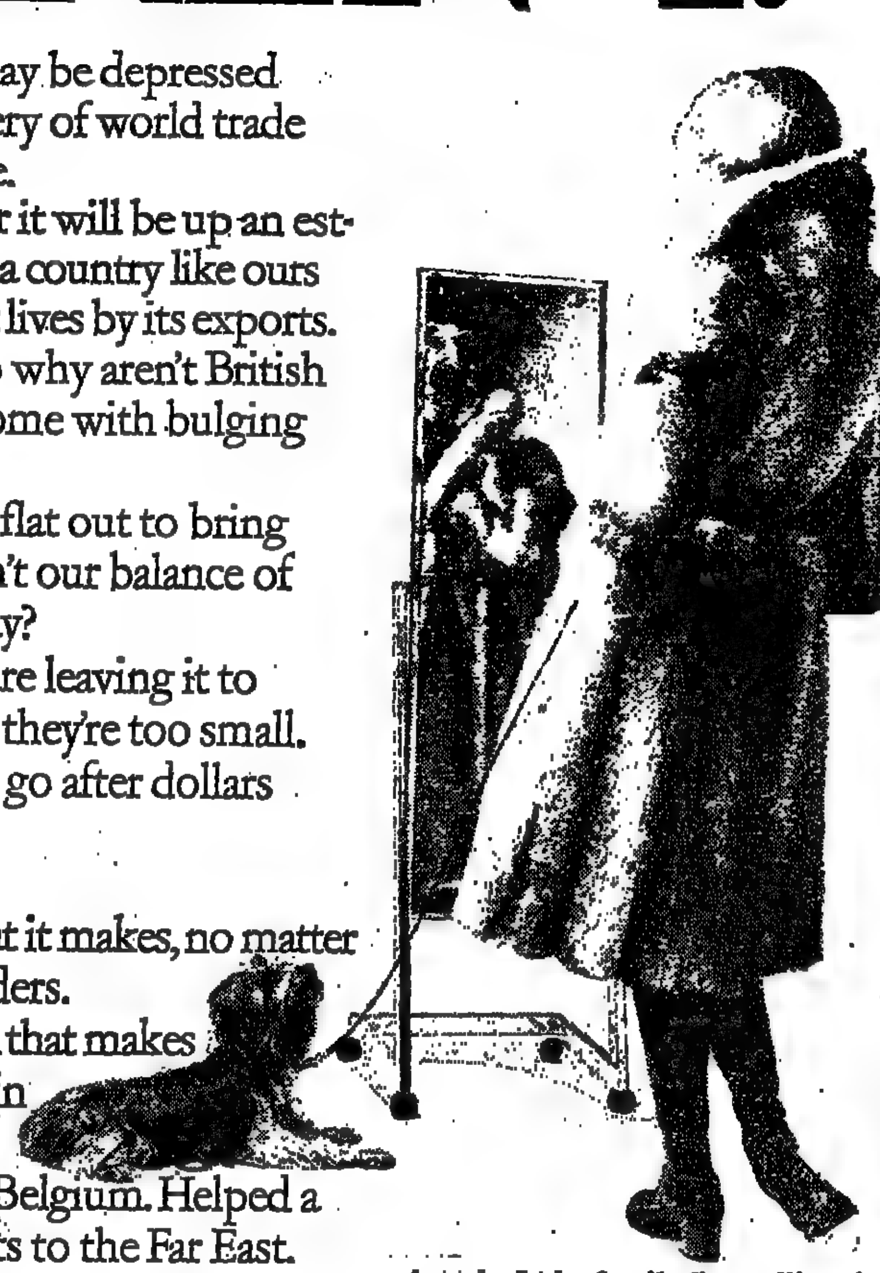
Recently we helped a small firm that makes lamp posts in Nottingham sell them in Saudi Arabia. We backed a grain merchant who sells to a brewery in Belgium. Helped a dartboard manufacturer who exports to the Far East.

There are problems, of course.

Local customs, currency premiums, insurance, tariffs and government restrictions all have to be reckoned with. The paper work alone is daunting.

While this may sound like a nightmare to you, it's merely routine to us. Exporting is something we do all day and every day.

Machines that are building Rio de Janeiro's underground system come from a firm in North Yorkshire. We made the introduction and drew up payment terms.



Astraka Ltd, a family firm selling simulated fur coats in 30 countries, needed short term finance. We eased cash flow and gave guarantee cover up to £400,000.

We operate through 1,700 overseas branches in 72 countries (and that includes the USSR).

Through them we know if you should appoint an agent, set up a franchise, deal with an export merchant or sell direct.

From time to time through them, we've even opened up a market.

Last year our Hong Kong branch found a buyer desperate for chicken feet (they're a delicacy out there). British farmers are now supplying his needs.

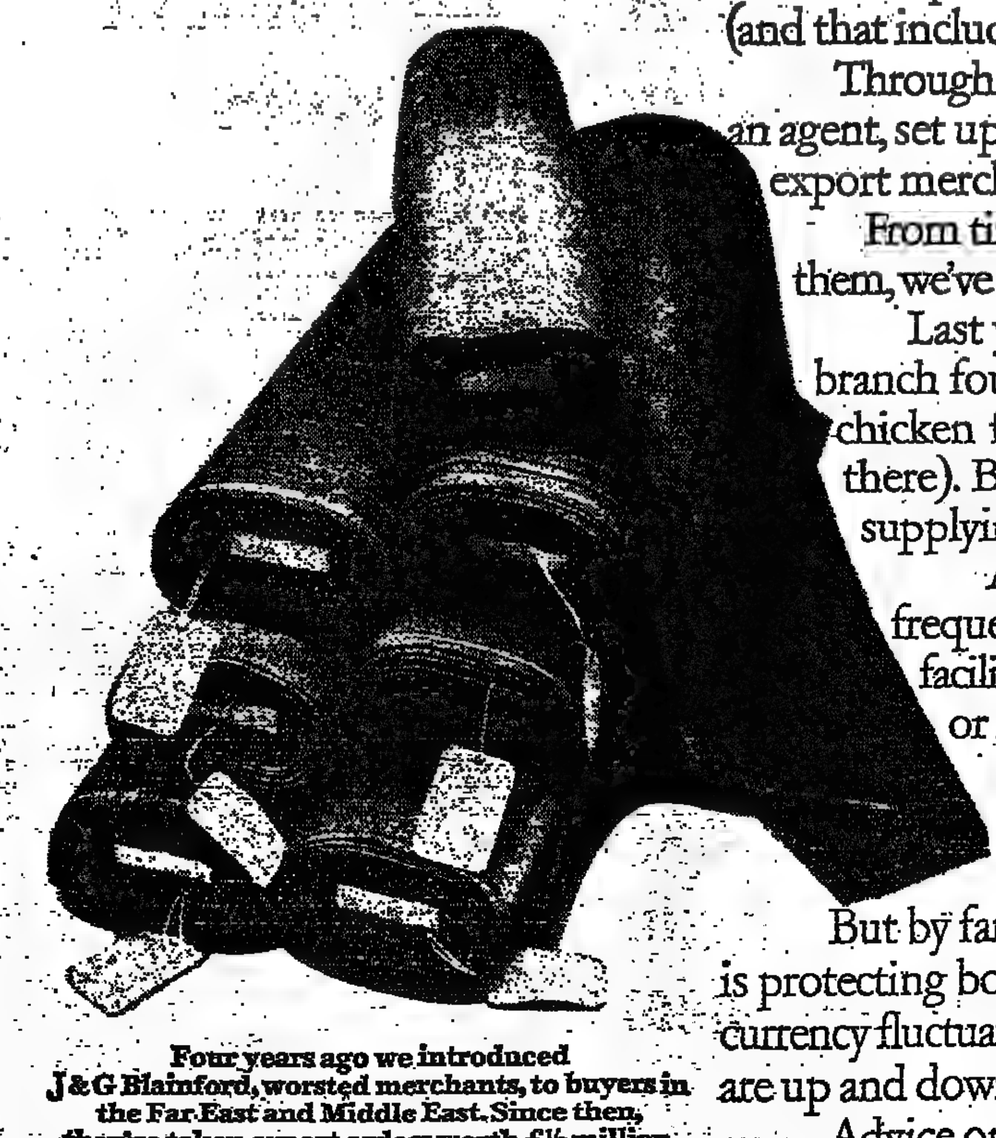
Apart from handing out advice, the most frequent way we help is with a loan or credit facilities. This enables a company to build up stocks or re-tool to meet foreign orders.

In some cases we finance the foreign buyers in the first place. Lending them the money to buy British goods.

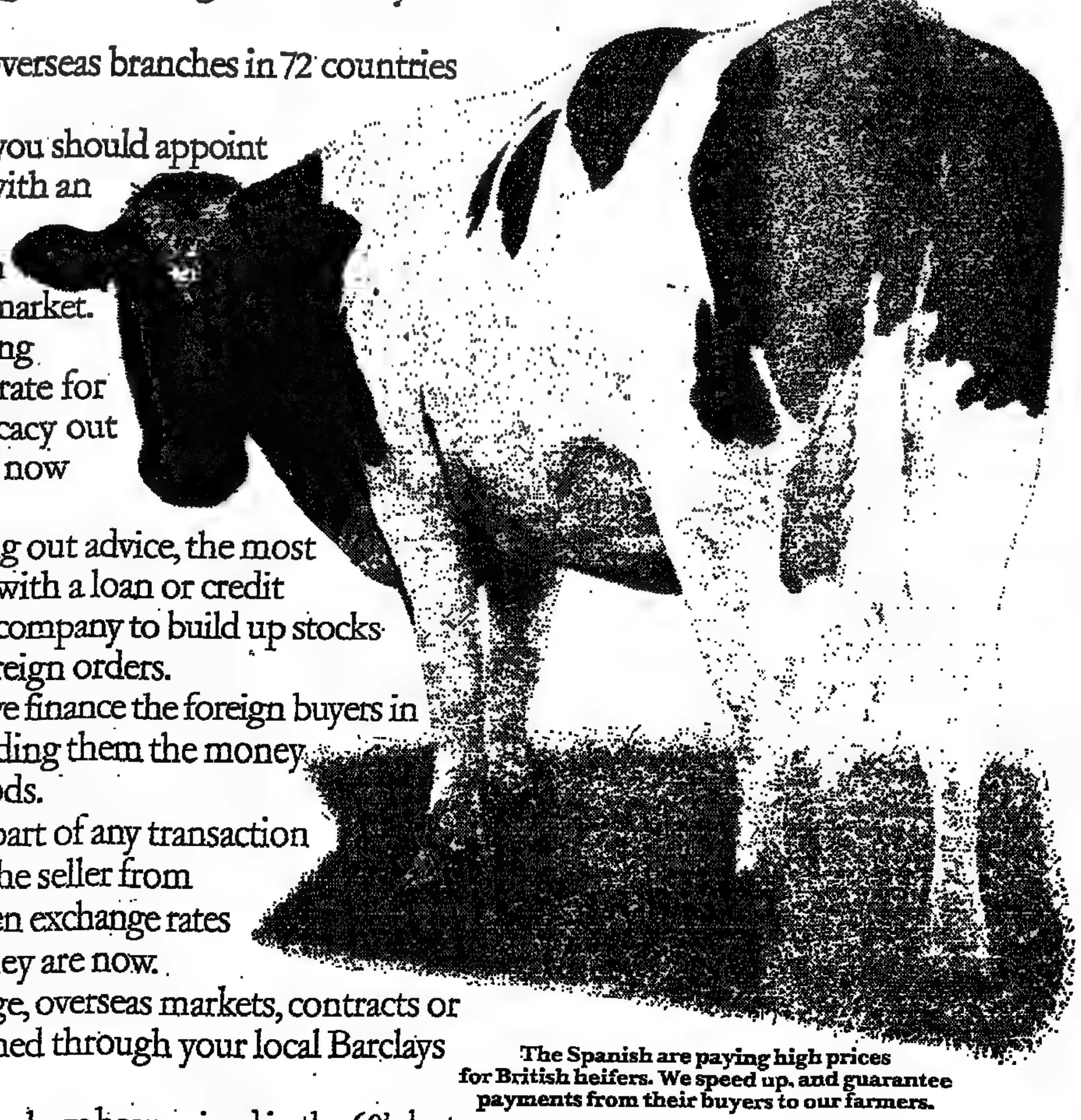
But by far the most crucial part of any transaction is protecting both the buyer and the seller from currency fluctuations. Essential when exchange rates are up and down like a yo-yo, as they are now.

Advice on currency exchange, overseas markets, contracts or export guarantees can all be obtained through your local Barclays Bank Manager.

The phrase "Export or die" may have been coined in the 60's, but it's never been as true as it is today.



Four years ago we introduced J&G Blamford, worsted merchants, to buyers in the Far East and Middle East. Since then, they've taken export orders worth £½ million.



The Spanish are paying high prices for British heifers. We speed up, and guarantee payments from their buyers to our farmers.

BARCLAYS

The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● PRINTING

Laser gives speed and clarity

AS SUITABLE for national dailies as it is for magazines and directories is a laser-based and computer-controlled phototypesetter, which is just being put on the market by Monotype.

Although the unit borrows from all the advanced technologies and offers as many as 300 founts on line with 128 characters per fount, the cost has been kept down to well under that of most of the competition. For instance, a unit with 30 founts on line—on fixed and removable cartridge discs—would cost £40,000 *and prices are to be maintained at their current* levels till October next year.

Very shortly, test installations will be going out to a number of sites.

Laser beam character recognition was selected because the laser produces a pencil of light in which the edges are sharply defined with little diffusion or halation, so that by the nature of the process, it will produce sharper characters than competing techniques.

The laser beam is steered to scan across the full width of the matter being set and so many characters are being generated simultaneously. All founts are digitised and stored in this form on magnetic media providing fast retrieval.

Few moving parts are used in the equipment and reliability is very high. The software instruction set produces accents and double exposures without any reduction in the setting speed.

The film on which the setting is being done moves at constant speed and there is an advantage in setting multiple columns since output increases with the width being scanned.

Character sizes range from 4 pt to 256 pt and typical setting speeds are 1,152 lines a minute of 6 pt by four 11 pica columns.

Input to the equipment is varied. It can run from several levels of paper tape, magnetic media such as floppy discs and industry-compatible magnetic tapes. Wire-service tapes are part of the code-conversion software. It can work from a simple perforator or a full-scale visual display terminal page-editing unit.

Meanwhile, Monotype has had its own commercial editing system, ACE-Datasort provided with a classified advertising control routine to run on floppy discs. This simple front-end equipment combined with laser phototypesetting will meet the needs of most regional newspapers, the company believes.

Monotype International, Salfords, Redhill RH1 5JP. Redhill 65959.

● HANDLING

Overcomes handling degradation

TO OVERCOME problems of material degradation and dust emission during dock-side handling and loading, mobile conveying equipment which prevents long falls of material has been developed by Roxon OY, Finland.

Dust-free loading of ships at rates up to 500 tons/hr can be achieved with this self-propelled, remotely controlled unit. Typical applications include loading materials such as chromite pebbles, sintered or otherwise manufactured pellets, ores, and china clay, with particle sizes from 20 to 200 mm diameter.

The equipment consists of a six-wheeled derrick supporting two conveyors, one rising over the side of the ship, the other distributing the material in the hold. The first conveyor is fed from a hopper with a maximum capacity of 15 cu. metres. This conveyor can be up to 1 metre wide and 30 metres long, and its inclination is adjustable (on a rope lift from the derrick) from 12 to 15 deg.

The second conveyor, which distributes the material in the hold, is up to 11 metres long and can be turned through 250 degrees. It has a locker belt to prevent material from rolling, and can be inclined to 60 degrees using a hydraulic ram. This conveyor is controlled to keep the drop height of the material at about 500 mm.

Power can be supplied either through an integral diesel engine, or the unit can be connected to a mains electric supply. Propulsion and steering are hydraulic. The equipment is controlled by one operator from a remote console.

Details from Roxon Process 1, King Street, Twickenham, Middlesex, TW1 3SD (01-891 1647).

Pallet has tubes to take load

ONE-TRIP pallets made from two sheets of double wall corrugated board, supported by nine spirally wound fibreboard tubes, have been developed by Tube Winding (Paper) Co., Motherwell Way, West Thurrock, Grays, Essex, RM16 1LA (Purfleet 4333), a Mardon Packaging Group company.

The pallets, which are to standard ISO sizes (1,200 x 800 mm and 1,200 x 1,000 mm) can take up to one tonne load. They can be produced to suit a specific weight and shape of load if required (including hexagonal, octagonal or circular), using 6, 9, 12 or more bearing tubes.

Weighing only 7 lb. (about 20 per cent. of the weight of a wooden equivalent), the pallet can be converted to fully recyclable waste.

Electric man lift

LATEST CUSTOM built truck from Crompton Electricars has been supplied to Raglan Properties for the overhead maintenance of signs, lighting and fixtures in the Bond Street pedestrian precinct, Leeds.

A 3 ft. fold-down cantilevered extension allows working over kerbs and access to recesses, doorways and shopfront displays to a maximum working height of 30 ft. The hydraulic platform is supplied by Access Equipment and mounted on a specially widened BVK4W truck from Brook Victor Electric Vehicles (*subsidiary of Crompton Electricars*).

Electric push-button control from the work platform operates ascent and descent, and there is an electrical interlock to prevent movement of the truck when the platform is raised. Power is supplied by a 282 A/hr capacity battery, which provides a range of about 12 miles with 50 stops/lifts. Turning circle is 16 ft.

The marketing company, a member of the Hawker Siddeley Group, is at Crown Avenue, Dukestown, Tredegar, Gwent (049-525 2921).

● AUTOMATION

Cheaper words by computer

ACCORDING TO IBM, in most large company offices it now costs about £1 to type 1,000 characters whereas if electronic word processing is used, albeit in conjunction with an existing IBM computer, the figure is nearer to 5p, including the cost of renting the necessary system.

The company, perhaps believing that it has not driven this message home sufficiently is, therefore, currently pushing its ATMS and STAIRS systems; the acronyms stand respectively for advanced text management system, and storage/information retrieval system; they can be used on any 370 processor.

The fundamental advantage of STAIRS, like any word processing system, is that once the initial version of *any* document is in the disc store, it can be modified at will into any other desired form by manipulation on the screen via instructions keyed in on the keyboard. Hard copy is then produced as needed, on one of the various printers the *company offers—including* the latest 3800 laser unit which can print almost anything using an 18 x 24 dot matrix.

Using STAIRS, any part of a document, or indeed of a complete data base can be found and displayed in a minute or two. For example, in an engineering proposal one might first of all find all the paragraphs containing the word "motor," then narrow this down to all those mentioning "electric motor," and perhaps finally focusing on "synchonous electric motors." The machine scans millions of words in a fraction of a second and the size of the data base is obviously limited mainly by cost.

IBM has recently given details of applications by some organisations in Europe. One is VFW-Fokker in Bremen where aircraft operational and maintenance manuals are written and updated to suit the needs of many airlines and languages using ATMS. In Sicily both systems are in use by the Cassa per il Mezzogiorno, an Italian Government agency spending large sums in revitalising the south of the country. A check—with immediate availability of almost any financial data—is being kept on some 14,000 projects.

World-wide IBM says it has installed "several hundred" such systems but provides no other details. It does, however, use the idea extensively in house: there are for example some 150 terminals at the Hursley research centre in Hampshire.

As it turns out this seems almost inevitable since the corporation now claims—behind the U.S Government and General Motors—to be the third largest publishing house in the world.

Recruits to NMW system

NMW COMPUTERS, the Manchester-based stockbroking bureau, has announced that Charles Stanley and Co. of London, is joining the NMW full client accounting system.

Charles Stanley has steadily expanded its business during the past few years. It believes the change to NMW will improve the service it can offer its clients, as well as improving internal office procedures.

NMW System covers all aspects of brokers' office accounting, including contract notes, statements, ledgers and a full daily trial balance. It also interfaces with the new stock exchange bargain accounting system. *There is a marked* reduction in the highly repetitive posting to ledgers, providing a particularly valuable saving during peak periods. In addition, accurate office management information is readily available, and all statutory changes are automatically implemented.

NMW, Elizabeth House, George Street, Manchester M1 4WT. 061-228 3511.

● PERIPHERALS

Communicates by sign language

WHERE ANY company is involved in a business with staff constantly occupied in the compilation of vast lists of spares for re-ordering, in the filling of complex seating arrangements such as in theatres etc., room reservations, or anywhere there is an on-going need to handle large numbers of parts specifications, a novel design of communications "pad" will save a great deal of time and error.

This terminal takes the form of a display panel 16 inches wide by 12 inches deep by seven high, which contains an array of light emitting diodes and numeric indicators. To talk to a computer, the operator points to the relevant light or number.

This facility is used with an overlay, which can be a simple sheet of paper, photographic film or a sheet of plastics if the environment is hostile. The user specifies the overlays to suit his requirements.

The LEDs can be set and reset under electronic control or by the use of a hand-held light pen which will activate the LED by optical coupling.

Thus there can be a dialogue between user and main computer — there is provision in the terminal for its own micro-computer if the user wishes to take the load off the central machine.

Truedata 77 is the name given to this unit which has been shown in a number of situations, such as taking orders for a car — one manufacturer offers as many as 20,000 variants on basic models—as well as stock control in a factory where the simplicity of pointing at a number or diagram rather than writing down a lengthy and complicated part description needed no underlining.

Truedata comes complete with display components, driving logic, memory, teletype interface, control logic or power supplies. If the user provides his own dc power, the tablet height can be reduced to only two inches.

It is suitable for desk-top use or for incorporation into a manufacturer's or user's own equipment.

This joint project of Data Recording Instrument company and Grundy and Partners originated at DRI and will be manufactured by Grundy which will sell to industry and in marine and defence situations including communications. DRI will handle the OEM market.

So far as is known there is nothing comparable yet on the international terminals market though there is a group of terminals of a somewhat different type which can be used to recognise handwritten characters.

Since the terminals market is on the verge of a major further expansion, this move by British groups is of great significance.

More from DRI at Hawthorne Road, Staines, Middlesex. Staines 51338.

● COMPONENTS

Distributor launched

ENTERING a somewhat crowded arena—there are well over 100 distributors of electronic and electrical components in the U.K., of which some 35 are formally franchised—is another newcomer, Ritro Electronics (U.K.).

The company, associated with the Dutch firm of the same name (which has put up half the starting capital) at the moment has one franchise, namely Neohm, an Italian resistor manufacturer. However, it intends to offer a wide range of items.

According to the founder, Peter Tagg (formerly MD of the GDS group) there is still plenty of room for the distributor who will look after the interests of the small component user—often not well serviced by the big U.K. concerns. More from Grenfell Place, Maidenhead, Berks. (0628 36227).

Electronic chronograph

ELECTRONIC CHRONOGRAPH NOW IN production at Hughes Microelectronics' Glenrothes plant is an electronic watch circuit using liquid crystal displays and able to operate as an accurate stopwatch.

The unit is 1.15 inches in diameter and can show month, date, hour, minute and seconds and the stopwatch function is accurate to one-hundredth of a second. A light is built in for night time reading.

Arranged in two lines the display has four digits at the top and two underneath. Used as a watch the hours and minutes are displayed on the upper line and either seconds or date on the lower at the option of the wearer. By pressing buttons on the side of the watch, month and date can be shown on the upper digits while AM and PM will appear on the lower.

Buttons invoke the chronograph mode: then, the counters can be set to zero and, on pressing the proper button the chronograph will start counting by minutes, seconds and hundredths of a second. However, while this is in progress, the time of day can be recalled without halting the count. Hughes emphasises that it does not itself offer complete watches. More on 0592 764311.

● METALWORKING

Studies on grinding techniques

SRC is supporting a co-ordinated programme of research to advance the technology of abrasive machining. The programme is the result of surveys which show this is a major metal-cutting process capable of being further developed.

The first phase of the programme is receiving support of £500,000 over a period of three years and is being carried out in six academic establishments; the bulk of the work is due to end in September, 1977.

Advancing technology is only effective if transferred and exploited and to help in achieving this aim a conference is to be held at the Birmingham Metropole on December 2 and 3. It is to acquaint industry of the progress of the co-ordinated research programme so that such transfer and exploitation can take place.

It will be of interest to engineers from firms involved in the manufacture and/or use of abrasive machines and associated products. Further from Peter Davies, Science Research Council, P.O. Box 18, Swindon, SN1 5BW (Tel. 079326222).

● PROCESSING

Foaming to tight dimensions

A VARIABLE width Maxfoam machine, for making flat-topped blocks of polyurethane foam has been installed and commissioned at Draka Foam, Glossop, Derbyshire, by Unifoam AG of Switzerland.

Compared with conventional dome block production, the Maxfoam machine can achieve a saving in trim loss from 7 to 8 per cent.

Unifoam's research and development team has been working on this improvement for some time, and has operated a plant to ensure commercial viability before adding the new machine to its range.

With the new machine, changes can be made "on the fly" without interruption to the production process. The variable width machine can make blocks ranging from 48 to 94 in. wide.

Details from Viking Engineering Company, Yew Street, Stockport, Lancs, (061-480 3281). Unifoam's U.K. machinery licensee.

● MATERIALS

Foam-based panelling

FIRE-RESISTANT, thermal insulation "Bradley Firebar" panels, consist of a core of lightweight, rigid phenol-formaldehyde foam to which various materials are laminated. They are used for insulation roof-linings, wall and ceiling linings and suspended ceilings.

Three grades include an insulation board in which the phenolic foam core is laminated on one side with white-coated aluminium foil, backed with bright aluminium kraft.

Ceiling board has a foam core laminated on one side with bleached kraft paper vapour barrier designed to receive plaster ceiling finishes. The board is backed with bright aluminium kraft. Plasterboard laminate consists of foam core with a vapour barrier on each side. It is laminated on one face with either industrial grade plasterboard for ceiling applications or gypsum wallboard for wall linings.

Bradley *Laminates* (British Aluminium), Telford Road, Eastfield Industrial Estate, Glenrothes, Fife KY74NX. Glenrothes 772 612.

GRP hulls for hot climates

MANY OF the glass fibre reinforced polyester resin (GRP) hulls produced by the Tyler Boat Company, Tonbridge, Kent, are for work boats and yachts operating in the tropics, so the company asked British Industrial Plastics (BIP) to develop a heat-resistant polyester laminating resin.

BIP has produced a non-accelerated thixotropic orthophthalic resin, with a heat distortion point at 85 deg. C (185 deg. F.). It will not soften or deform when subjected to strong tropical sunshine.

Another advantage of the high heat distortion value is that multi-layer laminates can be built up without the risk that the exothermic curing of the upper laminates will soften those below. Bulkheads and other structures can be bonded to a hull that has already cured, without causing distortion of the hull.

The new Beetle resin is of medium viscosity (3.5 poise), wets-out easily, and remains "open" for a considerable time. It has, says BIP, increased flexural and tensile strength, improved resistance to water absorption, and is approved by Lloyd's Register of Shipping for use in the construction of GRP *boats moulded under its survey.*

A compatible isophthalic gel-coat resin has also been formulated.

BIP is at PO Box 11, Tat Bank Road, Oldbury, Warley, West Midlands, B69 4NF (021-552 1551), and is a Turner and Newall company.

● *By agreement between the Financial Times and the BBC, information from The Technical Page is available for use by the Corporation's External Services as source material for its overseas broadcasts.*

● SERVICES

Tall masts for TV and lighting

RELATIVELY easy photography and television from heights up to 73 feet is possible with a telescopic mast unit just announced by Hi-Spy Systems of Birmingham, Yeovil, a new company.

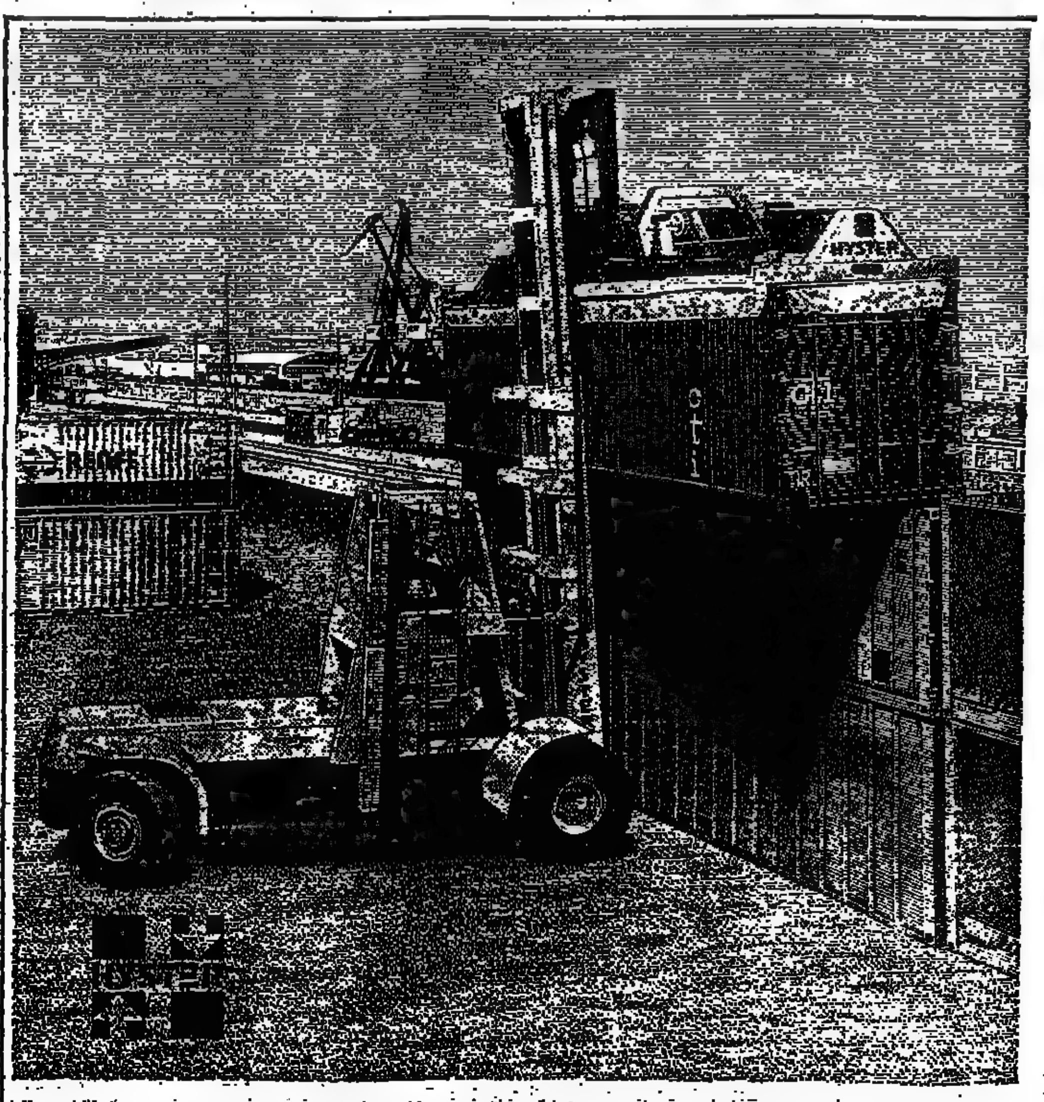
Designed mainly for installation on a long wheel-base Land-Rover, the light-alloy mast's collapsed dimensions are 14 feet by 6 inches diameter at the base. There are seven tubular sections and the weight is about ¾ ton.

A small console is associated with the mast and on arrival at site one operator only can control raising; the retracted mast is first raised to the vertical position electrically and is then extended to 73 feet by compressed air from an on-board four-cylinder petrol-engine driven compressor. Time to maximum height is about five minutes. The compressor can be stopped after extension to give quietness.

A remote controlled pan and tilt head can be provided at the masthead with control from the console of these and all other camera functions.

The mast can be vertical or inclined at up to 30 degrees, allowing photography from directly above: the company claims the assembly can withstand wind speeds up to 30 mph but in gusty conditions points out that there will be some oscillation. Price of the largest unit is about £10,000, but others with smaller extensions and fewer facilities are available down to about £500. More from company at 120, Tamworth Lane, Shirley, B90 4DF, West Midlands (021 745 6944).

Also announced this week by Wisepower, Drove Road, Everton, Sandy, Beds SG19 2HX (0767 50011) is a mobile (towable) lattice mast extending to 18m (about 60 feet) and equipped with 4 kW of high pressure sodium lighting. Output is 320 kilolumens and the unit is intended for applications such as pipe laying in remote regions and the provision of lighting in public places. Power source is 7 kVA diesel generator and the mast is raised manually.



هكذا من الأصل

The Management Page

EDITED BY JOHN ELLIOTT

JOHN ELLIOTT visits Sweden and discloses the first independent report on new car techniques which are to be modified for use in America

Qualified success for Volvo assembly

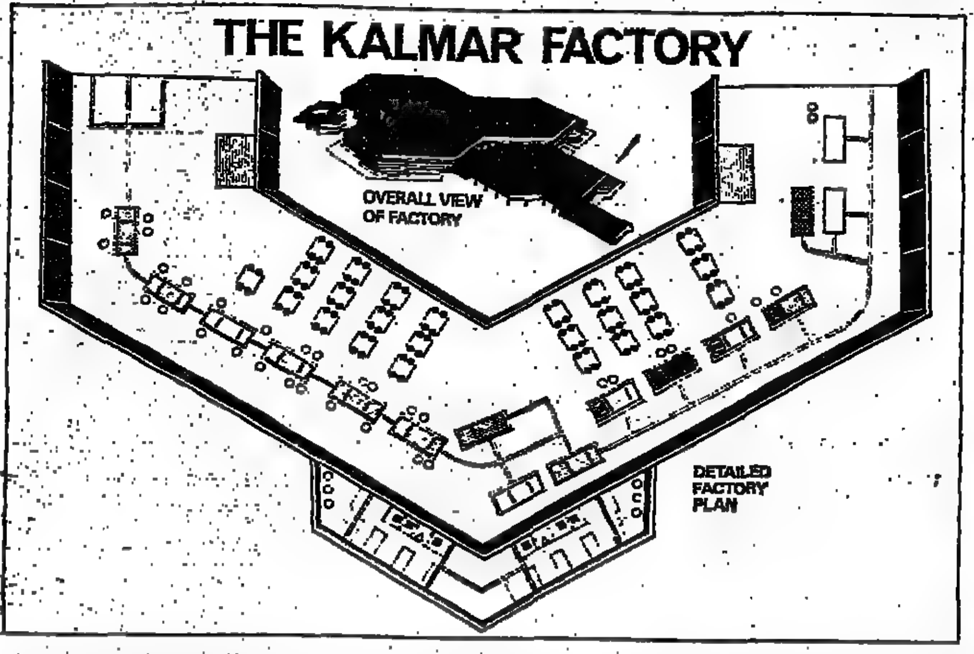
OR SEVERAL years com-anies around the world have een experimenting with ways f removing the drudgery and oredom from factory life and specially from the horrors of ie motor industry's production nes. In the forefront of these xperiments have been methods eveloped in Sweden by Saab-cania and Volvo to eliminate ie assembly track by enabling igines and complete cars to built in the more relaxed mosphere of small groups of orkers.

Because these two companies ive low rates of production mpared with the big motor anufacturers and because they ive had the encouraging tional environment of Sweden which to work, they have ten been dismissed as irrele-nt to the problems of Europe's d America's large-scale fac-ries. U.S. workers have visited ab and have said they prefer e less demanding boredom of a Detroit assembly tracks to a more intellectually chal-nging life in a group assembly eration. In the U.K., Mr. Alec nders, Rover's former senior anning engineer and now anaging director of Alfred rbert's Coventry factories, has smissed multi-assembly groups "not on" for large car fac-ries. There is however some ovision for the monotony of bs to be relaxed with group orking if the workers demand at Leyland's new Rover fac-ry at Solihull.

Initial hopes

Now an independent report s been prepared on the most vanced of Volvo's experi-nts by Sweden's main tional employers' and trade ion organisations — the SAF d LO. This report has not yet en published in England but shows that the group sembly experiment has been reasonable success, although e results have not matched to all of Volvo's initial hopes.

The report deals with Volvo's car assembly factory at Kalmar and its main critical finding is that the company's reported 10 per cent. extra investment cost of abandoning the traditional assembly line has not been offset by savings. In addition, the quality of the cars has not been as good as had been hoped and more expensive rectification work has therefore been necessary. The rate of assembling the cars is about the same as in Volvo's more traditional assembly line factories and the net result is that overall efficiency is about the same as elsewhere. Generally the workers have enjoyed the extra freedom they have gained to run their own working lives instead of having them dictated by a relentless assembly line and an aggressive foreman. But they have had some grumbles about the way computers have been used.



Volvo's Kalmar factory was specially designed for group assembly and, as shown in the overall view above, is made up of a series of hexagonal areas. This enables each external side of the hexagons to become an individual workshop area with its own entrance, changing-room, sauna and tea room. Cars are assembled on computer-controlled trolleys (right) which run through the workshops. They are guided by electro-magnetic tracks in the floor. Each workshop specialises in one part of a car and has a team of about 20 people who plan their work and choose one of two basic layouts. They can either work in a team area where cars progress through a number of different assembly stations, stopping at each one for different processes to be completed (shown on the left of the detailed plan). Or there is an alternative (on the right) called dock assembly which allows more flexibility. Here the car trolleys move into sidings and all the processes due to be completed in that workshop are done by a small single group. In both cases the teams develop their own job rotation arrangements and there is a buffer zone between each team for storing cars.

In addition, Volvo's major aim of reducing chronic absenteeism and turnover among its work-force has only been partially successful, although money has been saved by reducing the amount of supervisory and back-up staff. Volvo has also found it easier to make changes to its car designs.

The Volvo experiment at Kalmar, and a similar exercise at a new engine plant in Skovde, has three main ingredients. First, the assembly process is split up into areas of group working. Second, within these groups there is considerable freedom for workers to rotate jobs, design and change the layout of their working area, and vary the pace of their work and frequency of their rest times. Third, Volvo has designed a system of computer-controlled mechanical trolleys which replace the traditional assembly track and run round the factory at variable speeds on a prescribed route set by an electro-magnetic strip buried in the factory floor.

A fourth ingredient which Volvo has now abandoned is to design the factory on an unusual ground plan—as was done at Kalmar—to make it easier to break it up into small identifiable workshop areas. Volvo now believes it can create the small workshop atmosphere within traditional rectangular-type factory shapes although, like many other Swedish and Norwegian companies, it prefers small buildings to big factories.

Work quality

Now, following the Kalmar study, it is reassessing its ideas and is trying to make its assembly workers more responsible for the quality of their work, which may mean making its working groups more independent of each other. One of Volvo's problems up to now is that its trolley system means that it has not completely abandoned the production line concept of moving a car during assembly from one group of workers to another. This dependence of one group on another is thought to reduce the interest that each has in the quality of its work—a problem that can be lessened by the more purist approach where a complete car is assembled in one spot by one group of workers.

Production at the Kalmar factory began early in 1974 and there are now 540 manual and 100 white-collar workers producing 24,000 vehicles of the Volvo 242 and 244 model range a year which is 80 per cent. of the factory's maximum productive capacity. There are about 30 work groups in the factory, each of 15 to 20 people and they have a consultative system based on a series of six "functional councils" linking the unions' works councils, management and employees.

Trolleys

The assembly process begins in the upper of the factory's two levels where the body is placed on an assembly trolley and is then moved from one work group to another. The workers individually control the speed at which the trolleys move forward and can build up a stock by working quickly so as to leave time for informal rests. But they do not have complete individual freedom here because the groups rely on each other to keep the flow of trolleys moving at an overall rate negotiated by the unions based on work study times. Nevertheless, the system is far more informal than a traditional, constantly moving assembly track and the work is also done in a stationary in steady of a moving position.

Volvo's new report, recently published in Sweden, explains this system and concludes: "The Kalmar plant is better than a conventional car assembly plant. It is better to work in and from the point of view of efficiency, it is at least as good as Volvo's conventional car factories . . . The quality on the Kalmar cars is as good as those from other Volvo plants. But it had been hoped that this quality target would have been achieved with less adjustment work than has been the case."

Dealing with the worker's influence on his job, the report says: "There are more opportunities for employees to influence their work situation at Kalmar than is usual in car assembly factories. This is specially true of the division of work between group members, the arrangement of tasks in the assembly areas, and working ahead for extra rest times. It is made possible by the larger work cycles, the delegation of various decisions on working methods to the employees, the buffers of cars that can be built up between working groups, and the trolley system which fixes the rhythm of the work less rigidly than on a conventional assembly line. This does not mean, however, that there is unlimited freedom of movement and action at Kalmar. On the contrary, the production system contains a regular framework which sets where and how the work is done and Volvo has an agreement with its unions on the quantity of work to be done at the plant."

On the problem of trying to improve the quality of the cars made the report notes that one of the unrealised ambitions at Kalmar is that "quality should be built in during assembly and not adjusted in afterwards." But it also finds that "nearly all assembly workers expressed themselves as willing and able to accept responsibility for the quality of their work within the team. They feel that the existence of defects is due primarily to the fact that they do not always manage to check their own work."

The net result of all this is that, after six to eight years of research and experimentation, Volvo—among other less well-known Scandinavian companies—has developed its techniques sufficiently for them to be applied in a variety of ways. It will be applying a version of its job rotation and trolley system to a new American factory it is opening in Virginia next spring, despite the heavy cynicism its ideas have met in Detroit. It is also reported to be trying to sell the electro-magnetic trolley system—it calls this its Automatic Carrier System—to other industries with materials handling problems such as air freight concerns, bottling plants and warehouses.

It has also co-operated with other motor companies, including Fiat and Peugeot, to see whether its ideas, which it has developed in its low volume factories, can be applied to the world's high-volume car producers. Peugeot has limited group working on the assembly of car doors and seats and has estimated that the full Volvo system adds 30 per cent. to both investment and manufacturing costs.

Little general interest has been shown in either the U.K. or America but Fiat did try the idea at its Termoli engine factory in Southern Italy but then abandoned it because it found the work produced was not up to the standard it wanted. Fiat was worried about the fact, confirmed in Volvo's Kalmar report, that the physical area and capital per employee is higher than in a conventional factory. Nevertheless Fiat is using a mixture of group assembly techniques, together with a system not dissimilar to Volvo's trolleys, plus some additional assembly tracks and some robot machines at its Mirafiori plant which produce cars in high volume.

Suitably adapted therefore, there may well be a place for group assembly and self-governing work teams in parts of other motor factories and elsewhere. Interest in such schemes originated in Norway towards the end of the 1960s and experiments there in group assembly and the elimination of foremen were studied in 1968 and 1969 by Volvo, Saab, and other Swedish companies, as well as by the Swedish unions which were becoming concerned about the impact of increasingly large corporation and technological advances on their members.

Absenteeism

The specific problems by 1970 for Saab and Volvo were labour turnover figures reaching as much as 100 per cent. in a year with absenteeism running at more than 20 per cent. The absenteeism figures generally are still bad, partly thanks to what is thought to be a general disenchantment with work, plus generous State sick pay benefits, and they can reach 30 per cent. in the worst industries with a national average of 11 per cent.

In Volvo the absenteeism rate at its main traditional factory at Torslanda near Gothenburg was 19.2 per cent. during the first half of this year. At Kalmar, presumably as a result of the different working environment, the figure was 14 per cent.—a significant improvement compared with Torslanda but not as great as Volvo hoped for. Labour turnover at the two plants was also still bad—20.8 per cent. at Torslanda and 16.3 per cent. at Kalmar.

This can be as disruptive to Swedish industry as the historic British problem of widespread short unofficial strikes has been in the past to the output of U.K. factories.

In Sweden the worst sort of absenteeism so far as employers are concerned is the tendency of young workers to go absent frequently for short periods and without much prior warning—a habit boosted by a curious State benefit rule that allows a worker to claim sick pay for his first day away from work providing he decides he will be sick in time to notify the authorities the night before.

Such erratic absenteeism (as opposed to older workers' less frequent but longer spells away from work) causes major production problems for Swedish companies, and the national employers' federation is proposing in its current wage talks with the Swedish unions that the Government ought both to drop the first sick day benefit and penalise large companies which have high absenteeism. The second idea reflects a view held by both the Swedish unions and the employers that absenteeism is partly a problem of the style of a man's working life, which means that industrial democracy, in union terms, should be built from the shop floor upwards to involve and motivate both managers and workers. The employers, however, prefer phrases like improving the working environment and job reform to the more political term "industrial democracy." But despite these differences there has been considerable co-operation in Sweden on the subject of shop-floor reforms and the unions there are far more interested in the subject than their U.K. counterparts.

Now unions and employers are considering how to improve the working life not only of shop-floor workers but of supervisors and management. New roles have to be found for foremen and extensive manager retraining is needed to adapt to the changes in shop-floor working life. Generally, foremen are reduced in numbers and become co-ordinators between the work groups with each group being co-ordinated internally by a team leader who has organisational responsibilities but no official managerial authority.

Having pushed some supervisory functions down from the foremen to the working groups, Volvo is therefore now considering delegating some other managerial jobs to the foremen—for example, giving them some responsibilities for purchasing and safety. Some employers would also like to give foremen some sort of financial responsibilities such as wage budgeting and they link this with ideas they are now developing for smaller factories—a luxury that they recognise they can enjoy more easily in their thinly populated country than elsewhere.

The working environment experiments in Sweden are therefore far from over and both the social and the technological aspects of what Volvo and other companies have been developing will slowly find their way in various forms into the motor and other factories of different countries. What Volvo has yet to do is to make its figures balance in its own Kalmar plant.

Business courses

Financial Analysis for Manufacturing Management, London, January 12-14. One of the Seminars for Industry organised in London by New York University. Fee: $500. Details from NYU Seminars for Industry, c/o Conference Associates, 34, Stanford Road, London, W.8.

Forecasting for Technological Planning, University of Bradford, December 5-10. Fee: £185. Details from Course Director of Technology, Management Programmes, University of Bradford, Heaton Mount, Keighley Road, Bradford BD9 4JU.

Project Management, Hotel Intercontinental, London, December 13-16. Fee: $575.00. Details from AMR International, 8-10, Frederick Close, Stanhope Place, London, W.2.

Employment Law—A Study Programme for Management Advisers, Park Court Hotel, London W.2, December 13-17. Fee: £183.60 for members of the IPM or Industrial Law Society, £228.96 non-members. Details from the Institute of Personnel Management, Central House, Upper Woburn Place, London W.C.1.

Management for the Young Executive, Urwick Management Centre, Slough, 4 weeks commencing January 10. Further details from Mr. J. Swainson, Baylis House, Stoke Poges Lane, Slough, Berks SL1 3PF.

THE FINANCIAL TIMES

(Established 1888)
Incorporating THE FINANCIAL NEWS
(Established 1884)

Head Office Editorial & Advertisement Offices:
BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telephone Day & Night: 01-248 8000. Telegrams: Finantimo, London
Telex: 886341/2, 883897
For Share Index and Business News Summary Ring: 01-246 8026

Birmingham: George House, George Road 021-454 0922
Dublin: 8 Fitzwilliam Sq. 785321
Edinburgh: 37 George Street 031-226 4139 031-226 4120 (editorial)
Leeds: Permanent House, The Headrow 0532 454969
Manchester: Queens House, Queen St. 061-834 9381
Paris: 36 Rue du Sentier 236.50.59 (editorial) 236.86.01 (business)
Bonn: Pressehaus 11/104 Heussallee 2-10 210039
Frankfurt: Frankfurt am Main, Im Sachsenlager 13 555730 (editorial) 554667 (business)
Brussels: 39 Rue Ducale 512-9037
Rome: Via della Mercede 55 .... 678 3314
Stockholm: Kralambsvägen 7, 105 17 Stockholm. Tel: 50 60 88
New York: 75 Rockefeller Plaza, NY 10019 Editorial—212 541 4625 Business—212 489 8300
Washington: Second Floor, 1325, E. Street, N.W., Washington D.C. 202 347 8676
Jo'burg: 637 Union Centre East corner: Pritchard and Harrison Streets, P.O. Box 2128
Tokyo: 8th Floor, Nihon Keizai Shimbun Building, 1-9-5 Otemachi, Chiyoda-ku, Tel: 241 2920

TUESDAY, NOVEMBER 23, 1976

Local spending held back

BECAUSE OF the measure of freedom which local authorities have traditionally enjoyed in determining their own level of expenditure, despite the fact that an increasing proportion of that expenditure has come to be financed by central government, a Government seeking to reduce the growth of public expenditure as a whole finds this part of its task exceptionally difficult. This has been the case even more than usual over the past couple of years, since local authorities were geared up for a variety of reasons to a rapid expansion of expenditure in real as well as in purely money terms, and it has taken a good deal of time and pressure to bring about the necessary change in their expectations.

Continuous pressure has probably been the most important means that Ministers have used in practice to ram home the point that economies which were previously unthought of must now be made, and the excess of local current account expenditure over the original estimate (in real terms) for 1976/7 is now likely to be considerably less than seemed on the cards a few months ago. When it comes to the crunch, however, the important figure is the amount of estimated expenditure which the central government is willing to finance and the amount by which local authorities then feel politically able to increase their rates.

A fall

The decisions announced yesterday apply both to the present and the coming financial year. So far as the present financial year is concerned, the Government is refusing to revise its earlier assumption of the probable rise in local authority costs—though costs of materials, as opposed to wages, have risen somewhat above it—and is assuming that expenditure has not (as it has in fact) exceeded the estimate. This procedure, though it has the not inconsiderable disadvantage of sharing the penalty of over-spending among all authorities, innocent and guilty alike, has the practical merit of soaking up spare balances in local authority hands and ensuring that next year's measures will bite harder.

The estimate of current expenditure for next year does in fact represent a fall—not a large fall, but a fall—in real terms on the likely 1976-77 outturn. The Government is also to cut the proportion of that expenditure (in England and Wales) which it stands ready to finance from 65½ per cent. to 61 per cent., a larger cut than expected—though cushioned to some extent by the permission given to transfer £100m. of capital account spending to current account. The effect overall is estimated to be an increase in household rates of some 15 per cent., but some counties may be tempted to increase their precepts by considerably more than this. The £100m. transfer to current account, it is hoped, will enable authorities to reduce their labour force by some 1 per cent. through natural wastage rather than actual redundancies.

Rate rises

The cash limit set for next year is based on an estimated cost inflation of 10 per cent.—which can be reviewed, if circumstances warrant it. The balancing trick here is in choosing between too high a figure, which would be no check, and too low a figure, which would be disregarded as unreal: if there is not, as in the past, to be an over-run of expenditure, constant monitoring of expenditure will be essential. The other and more important balancing trick, of course, is to cut the contribution of central government enough to have an effect on expenditure but not so much as to cause an excessive rise in rates next year. On this point, given the fact that county elections are due to take place next year, the Government has probably got it about right.

How to create real confusion

THE Government's obstinacy over the House of Lords' amendment on ship-repairing has created an even bigger muddle, if that is possible, than there was before. No one now knows when, or even if, the full nationalisation Bill including ship-repairing will become law; given the likely political situation over the next few months, there must be a reasonable chance that it will never happen. In the meantime the practical difficulties facing the people who are trying to run the companies concerned are immense: on paper they must do the best they can for the existing owners, but their freedom of action is severely limited by the terms of a Bill which might (or might not) be enacted during 1977.

Exaggeration

The basic problem facing both aerospace and shipbuilding is a shortage of work. The problem would exist even if nationalisation had never been thought of. For Lord Melchett to claim, as he did in the House of Lords yesterday, that further delay in passing the Bill would have "catastrophic" effects on employment in the two industries is ludicrous exaggeration.

He suggested that the aircraft industry would miss out, wholly or partly, on the next round of civil and military collaboration. The fact is that it will probably be at least a year before major decisions on new civil airliner projects are taken. What share the U.K. gets of these projects depends principally on how much money the Government is prepared to put up in launching aid. This has nothing whatever to do with nationalisation. The uncertainty over ownership may be an embarrassment in international negotiations, but it does not prevent the Government and the industry from actively participating in them.

Nationalisation is not a magic wand which will create new orders for aircraft and ships out of thin air. With the possible exception of a few union leaders, virtually everyone accepts that the shipbuilding industry (apart from the specialist warship builders) will have to contract over the next two or three years. The Government thinks that by sweeping up all the companies into public ownership it can carry through the necessary contraction more effectively and more humanely than if the yards were left to fend for themselves. Past experience of nationalisation suggests that, in practice, the Government would find itself stuck with a grossly excessive labour force which, because of union pressure, it would find extremely difficult to reduce. There would be demands to keep all the yards going through subsidy.

If, as is possible, some of the shipbuilders run into financial trouble during the next year, the right course might be not to rush in with Industry Act funds, but to allow them to go into receivership. The Government could then decide which of the assets, if any, it wished to purchase as part of a slimmed-down state-owned shipbuilding industry. The companies themselves might find receivership more attractive to their shareholders than Industry Act assistance, since the nationalisation Bill provides for a drastic reduction in the amount of compensation if Government assistance is made available.

Characteristic

The decision to invoke the Parliament Act for the sake of ship-repairing, an industry totally unsuited to nationalisation, is characteristic of the mindless way in which the Government has approached the whole issue. At all levels of Government there is agreement (in private) that the inclusion of ship-repairing in the Bill was a mistake. At any stage in the past year it could have been dropped, with minimal political consequences, but the Government did not have the guts to do so; it was, after all, in the Manifesto. If the end result is to save the two major industries from nationalisation, that is all to the good; the Government can blame the present shambles on no-one but itself.

The Geneva conference on Rhodesia's constitutional future is still deadlocked after four weeks. **Bridget Bloom**, Africa Correspondent, gives her assessment of ways in which the complex issues might be resolved.

Britain's urgent dilemma over Rhodesia

The last Governor of Rhodesia, Sir Humphrey Gibbs, with Lady Gibbs in the grounds of Government House, Salisbury. Will there be a Briton again in charge?

FOR THREE of its formal four weeks' existence, the Geneva conference on Rhodesia has been deadlocked over the ostensible issue of a date for Rhodesia's independence as Zimbabwe. But as many people are now beginning to realise, the real issue is much more fundamental. As Mr. Ivor Richard, the conference chairman, who returned to Geneva last night after talks with British ministers, himself admitted, behind the apparently futile wranglings over two or three months lie deeper differences between the Africans and Britain itself.

These centre on Britain's own role, in the Conference itself, and in the interim period before independence. By holding out for a firm date of independence within 12 months of the end of the conference, Mr. Joshua Nkomo and Mr. Robert Mugabe, the two African leaders with the most militant supporters, are essentially attempting to commit Britain to a very positive role, now, and in the interim Government. By refusing to do what they are asking, Mr. Richard is fulfilling the mandate he has from the Cabinet, which is to keep British involvement to a minimum.

Whether Mr. Richard's mandate has been changed as a result of his talks yesterday with Mr. Anthony Crosland, the Foreign Secretary, remains to be seen. In all probability it has not. But few observers doubt that the question of Britain's role is now critical.

There is deep hostility in the Labour Party, in important sections of the Cabinet and, one suspects, in the country at large to Britain assuming its admitted if residual colonial and moral responsibilities in Rhodesia. The reasons are not hard to find: the colonial era is past, and with Ulster and the economic crisis, there is neither the political will nor the economic means for African or any other foreign adventures.

Nevertheless, whether or not we have the political will to get involved in southern Africa at this stage, it is important that we should know what is at stake. The most important point is that probably only Britain at this stage has the potential power to impel both sides in Rhodesia towards a negotiated settlement. There are two basic reasons for this. Successive British governments have maintained over the past eleven years that they have had responsibility without power in Rhodesia and they have been right. For as long as the Rhodesian Prime Minister, Mr. Ian Smith, insisted that there would be no majority rule in Rhodesia in his lifetime Britain, without a single administrator or soldier on the ground, was powerless to do anything to bring about majority rule, short of a military invasion.

But that situation changed on September 24 this year, when Mr. Smith, pushed by Dr. Kissinger and Mr. Vorster, accepted majority rule in two years. In his negotiations with the U.S. Secretary and the South African Premier, Mr. Smith apparently declared that he was being asked to sign his "own suicide note." He certainly realised that September 24 spelt the ultimate if not the actual abdication of power by the whites in Rhodesia, just as he and the rest of the world know that Geneva is about its assumption by the blacks. These events have created a potential power vacuum which Britain, because of its residual responsibilities, has the legal right—if not the political will—to fill.

Third party leadership

That it needs to be filled if there is to be a settlement is seen from the other major factor: there is such deep distrust between black and white politicians and others in Rhodesia that the two sides are almost certainly incapable of reaching a settlement without some determined third party leadership.

Geneva, if it has done nothing else, has illustrated the depths of suspicion which the Africans (not without reason if one looks at the record of the past 11 years of failed settlements) feel towards Mr. Smith and his colleagues. For his part, Mr. Smith has hardly tried to conceal his contempt for African nationalist politicians over the past few weeks. Both sides to-day are in a highly charged, almost emotional state: the whites know that they have lost, and are fearful of their future and the blacks scent victory, but are still unsure of it. In these circumstances, it is idle for Britain or anyone else to pretend that a settlement can be negotiated, let alone made to work, without strong and determined third party leadership.

Assuming that the political will existed, what should Britain do? First one must decide on the aim. Whatever the Government may now privately feel about the Kissinger initiative it must be presumed that a majority of politicians of all parties support its general aim of a settlement through negotiation which would both end the guerilla war and peacefully hand the country over to the majority.

Obviously however the Africans are going to win in the end, so Britain must be seen clearly on their side. This does not mean abandoning the whites, but it must mean encouraging them to agree to a settlement which is acceptable to *all* the Africans and not just the most moderate.

There are two main alternatives before the Government, both of which start from the assumption that Britain wants a settlement to come out of Geneva but recognises that it will be required to do more than provide a conference chairman and a super-diplomat to sit on the sidelines in Salisbury as the Rhodesians themselves try to run their interim government.

Both would involve Britain taking ultimate responsibility in the transitional period between the end of the conference and full independence over defence, law and order, foreign affairs, and possibly overall economic policy. This would have to be done by the appointment of a Governor General (or some similar figure under another name) who would have to have both an administrative and a military staff.

The first alternative is based on the premiss that Britain (and the other parties involved) are being unrealistic in insisting that Rhodesia can only become independent after it has gone through all the processes . traditional to "normal" decolonisation. Rhodesia to-day, the argument runs, is not comparable to the Ghana or Nigeria of 20 years ago, nor even to Zambia or Kenya in the early 1960s. With a full-scale guerilla war, can Rhodesia afford the luxury of a full scale constitutional conference and almost certainly disruptive general elections, before independence?

Dangers of disorders

Would it not be better to cut out some of these processes and shorten the period of transition, thus reducing to a minimum the dangers of disorder (and incidentally the dangers of long drawn out British involvement)? The disadvantages of this sort of solution are of course that Britain would have to dispense with elections (perhaps on the "promise" that they took place after independence) and would, given the divisions within the African nationalists, have to so arrange the present conference that the "right" people came out on top (the criteria being an ability to end the war and then provide firm government). This could well be the most pragmatic course, and the cynical might argue that were the French in our position, they might do just that. But it is not a course likely to commend itself in Westminster.

The second alternative therefore is to continue along the present path, with provision made for all the due constitutional processes, including an election before full independence is granted.

But if either of these courses were to be pursued, the central problems would be the same. These, as all those who oppose British involvement are fully aware, concern what happens in the transitional period to defence, and law and order. The mistrust between the races is deepest here—not for nothing did Ian Smith, as a condition of "selling" majority rule to his electorate, insist that these portfolios should be in white (and by implication Rhodesian Front) hands. By the same counter, the Africans have made it clear that they will reject any proposals which would leave the whites, and in particular the Rhodesian Front, in control of an unchanged, white commanded army.

Clearly the key question, if any settlement is to be made to work, is that the security forces — whether army or police — must somehow be made acceptable to both sides. A compromise must be found between the demands of the whites that control remains with them, and the demands of the most radical blacks that the white forces be immediately disarmed and disbanded and that a black army—made up from the guerillas—be put in their place.

What are the alternatives here? In many ways the "best scenario" would be for both black and white forces to be disbanded and disarmed, and for several battalions of British troops, with a firm date of departure and a limited peace-keeping-cum training role, to hold the ring in the interim.

The next best — since that can be ruled out immediately—might be for a completely neutral, well organised force which would be able not only to supervise a ceasefire but would also help to reorganise both the present white controlled army and the guerillas into a force acceptable to the new black Government. But who would field such a force? Even were it to be accepted by both sides (and after the Congo there is powerful resistance to any international force from both black and white) it is doubtful whether the UN would or could mount it. A force from the Organisation of African Unity would obviously meet white objections, while even a Commonwealth force, which has been mooted in some circles, is likely to give rise to endless wrangles between Rhodesians themselves as to which Commonwealth countries (black or white) should participate.

The most likely scenario is in fact one where both sides would agree that the only authority they would trust would be Britain, albeit in a limited role without troops. Again putting aside the question of political will at Westminster, it *is* possible to envisage an agreement whereby a British appointed Governor General would have overall control of defence and law and order. He would work through the transitional government (in the traditional role of the Governor in Council) in an endeavour to make all decisions agreed ones. He would have at his service two or three military missions. The responsibility of one of these, almost certainly entirely British staffed, would be to "neutralise" the present white army by providing British officers in key posts. Another mission, perhaps staffed mainly by African Commonwealth countries, would retrain and reorganise the guerillas as the nucleus of a new army to an independent Rhodesia.

Even with such an apparently limited involvement, there would be hair-raising problems. The Governor General would have no independent troops at his command: by replacing selected serving Rhodesian officers with British personnel he would be gambling on the loyalty of the majority of Rhodesian soldiers to the Queen.

This is by no means impossible for most army officers are British or British trained, but there are all sorts of other danger points, most notably that of the ceasefire period itself. Any agreement reached in Geneva would have to have the strongest backing from the frontline African presidents who alone have power to stop the guerillas fighting, while the process of neutralising the white army would probably have to take place before the installation of the interim government, if only to allay African suspicions.

Theoretically limited

No doubt it is the contemplation of these and other problems which has set the face of the British Government firmly against any involvement in Rhodesia. But we should know that the question of a theoretically limited British involvement is and will be central to a settlement in Geneva, and that if none is reached there it will be at least partly because we were unready or unwilling to get involved.

It may be, as Mr. Robert Mugabe said in an interview a month ago, that none of the parties involved is yet ready for a settlement. But if that is the case, Geneva and the Kissinger initiative, which (with Britain's backing) led to it, will have proved a costly waste of time.

MEN AND MATTERS

Money in copiers

Photocopying machines have obviously speeded office life, but also opened up some greyish legal areas on the subject of copyright. Now, according to American reports, a new generation of copier has led to an outbreak of forgery, though the scale of the problem is, predictably enough, pooh-poohed by the manufacturer concerned.

The machines involved are the Xerox 6500 series of colour copiers. There are only about 1,000 in use in the U.S., the outright purchase price per machine being about $26,000. The *Los Angeles Times* has claimed that the 6500's introduction has led to forgeries of payslips, salary cheques, share certificates, travellers' cheques, food stamps — and, would you believe, bank notes.

Rank Xerox, distributor of Xerox products in the U.K. and on the Continent, said yesterday that very few examples of the range were in use in Europe, and a spokesman stressed some of the 6500's drawbacks, for forgers and anyone else.

He said most potential customers tended to marvel at the idea of a colour copier, but then quickly question the real benefits. The machine has three tones — magenta, cyan (pale blue), and yellow—which gave, the Rank Xerox man declared, a "fairly crude colour range." He added: "Also, it is not a fast machine. In fact, it's quite painfully slow. You can push the button and think it has broken down." The end result is three copies a minute.

Down the years, companies like Rank Xerox have issued strict instructions to their copy bureaux not to permit reproduction of in-copyright sheet music and books, and doubtless those wanting to dash off a few bank notes would get short shrift too.

"... and all who sail in her!"

Seriously, the Rank Xerox man doubted whether duplicated banknotes would look remotely like the real thing. Much better, as he observed, to stick to the offset litho machine and a handy plate maker in the privacy of your own basement.

More(?) on the malt puzzle

Question time in the European Parliament continues to be something of a puzzling performance, and it also seems a very drawn-out business. A question was put down in June by an MP who had noticed in various publications that a report had been prepared on the overpayment of roughly 72m. units of account in export refunds on malt.

The questioner wanted to know whether the EEC Commission was prepared to disclose the content of the report and whether it was true that the overpayment was partly the result of the activities of former Commission officials. He did say tactfully that he would be content with the Commission giving the information "without going into personal details."

The answer, only just given, is a frosty one. The Commission said it did not know how outsiders had found out about the "classified" document and there was no intention of disclosing the contents. It added this beautifully laconic piece of information: "The amount of the refund fixed corresponded to the situation on the market in barley and malt at the time of the fixing."

Spanish wine muscles

Spain has a highly fragmented wine industry, and of course one which has to grapple with the difficulties of life outside the EEC. Total British imports lately have shown the growing strength of Italian producers, and this sort of tough competitive atmosphere has persuaded Spain's second largest bank, Banco Hispano Americano, that the country's wine trade lacks marketing muscle.

The bank has 40 per cent. of Carbonell, one of Spain's major food groups, with annual turnover equivalent to £150m. Carbonell built its operations round olive oil products and has 20 per cent. of the world market. Prompted by the bank, it has been developing its wine interests and is now backing a new company called Viniberia, which is headed by a Briton, Peter Dauthieu. This group will be handling the international marketing of six wine concerns owned by Carbonell, and will also have a close working relationship with Spain's largest wine producer, the 2,000 member Yecla Co-operative.

The name Dauthieu is a famous one in the U.K. liquor business. The Viniberia boss's father, the late Paul Dauthieu, built up from scratch the successful Peter Dominic chain of shops which was merged into International Distillers and Vintners in 1962.

Peter Dauthieu trained with Dominic and in nearly all the European wine regions before a spell in the States at business school, then with a management consultancy. Viniberia will be based in Jerez; Dauthieu has been in Spain since 1972 as international marketing director of Domecq, the sherry and brandy concern.

In London, making his contacts with the U.K. agents, he was naturally enthusiastic about the prospects for upgrading the image of Spanish wine in the U.K. and of selling much more of it through restaurant outlets. "All you need for a sales force is four former Spanish waiters," he says, only half joking. "With their contacts and ability to speak the same language as so many people in the restaurant trade they could not go wrong selling Spanish wines, even to Italian restaurants because as far as I can tell most of the waiters in Italian restaurants in London are Spanish."

As she is ... turned

English, I am glad to say, seems to dominate the business scene internationally. But watch out for Japanese tactics. Japan's Ministry of International Trade and Industry has just published a 54-page booklet called White Paper on the International Trade 1976 (sic). Though it is all in English, page 28 is suddenly followed by an upside-down page 44. Subsequent pages then "retreat" to 29 before the booklet can be turned round for the rest of the story.

Observer

هكذا من الاصل

هكذا من الاجل

SOCIETY TO-DAY: THE HOUSE OF LORDS

BY JOE ROGALY

Reformation of the absurd

THE HOUSE of Lords should be reformed — but then so should the entire constitution. This argument is not divisible; the second proposition follows directly from the first. You can see why if you work backwards from the immediate squabble about the Lords amendments to the Labour Government's ideological legislation. Once this is done, it becomes plain that nothing rational, or fair, or workable is possible without a complete overhaul.

Let us begin, then, with what happened yesterday. The peers, as expected, persisted in their exclusion of ship-repairing from the Labour Government's nationalisation Bill. Their behaviour was legal, but non-democratic. It was perfectly well within the law because the Parliament Act gives the Upper House powers to amend and delay: it was non-democratic because the members of that House acquired their position by inheritance or, possibly worse, the favour of a past Prime Minister.

Such a definition is inescapable. It does not become less true if, like me, one believes that the less nationalisation there is the better. Those on the Right who do not like to face this fact will no doubt point out the external evidence that most people disapprove of management of industries by governments: the opinion polls say so every time the question is asked. But when a body composed of persons who have no democratically-based right to legislate behaves in the manner of the House of Lords in recent months, it is acting non-democratically, even if what it does is believed to be in tune with the popular will.

Those on the Left of the Labour Party who are angry with the Upper House for its emasculation of some of their favourite Bills would no doubt concur with the argument so far. The will of the people, expressed through the democratically-elected Commons, is being frustrated, they say—so abolish the Upper House.

Such a statement is of course pure humbug. The will of the people is no more democratically expressed in the Commons than in the Lords. Once again the distinction is between what is legal and what is in truth democratic. Legally, the party that won the most seats at the October 1974 general election is perfectly entitled to put its Bills to the House, but an honest democrat must accept that since the Labour Party won only 39.2 per cent. of the votes cast and a mere 28.6 per cent. of the votes of those eligible to go to the polls, the theory of the mandate has been made a nonsense by recent practice.

On the other side the Conservatives, who fared even worse in October, 1974, may protest that the by-elections of three weeks ago indicate the genuine will of the people — the will that the House of Lords is attempting to express. This, too, is humbug. The arithmetic of those famous victories at Workington and Walsall North shows why. At Workington the victorious Conservative won on 48.2 per cent. of the votes cast. Counting stay-at-homes, that represents 35.8 per cent. of the electorate of that constituency. At Walsall North the figures were 48.3 per cent. and 22.3 per cent. — down to nearly a fifth of those on the voters' roll. (At Newcastle Central the Labour "winner" scored *less* than a fifth of the potential vote.)

Many things may be said about those results. It is true that some former Labour voters may have turned Conservative. It is undeniable that according to the rules of the game, the results constituted a triumph for Mrs. Margaret Thatcher and her party. It is politically most significant that the Government was rocked by two such savage blows. But what cannot be said, with honesty, is that the votes cast at Workington and Walsall North taken in isolation prove that there is a great wave of Conservative feeling rolling across the land, or that they indicate by democratic means that the Tories are now the real representatives of the people's will.

In short, the shipbuilding and aircraft nationalisation Bill is a non-democratic measure passed by the non-democratically elected House of Commons and cut about by the non-elected House of Lords. It is a perfect example of the absurdity of our present constitutional arrangements. The reform of one irrational part of an unfair and irrational whole may be worthwhile as a small step forward — but it could be worse than nothing at all.

The reason is that the battle with the House of Lords is party political. The peers have always favoured the Conservatives; they do not treat Tory Governments as they are treating the present Labour one. Those who want abolition or reform are therefore mainly members of the Labour Party who regard the Lords as an obstacle to the creation of a socialist Britain. It is not a very formidable obstacle: if the Labour Government could manage the economy with more competence it might stay in office for long enough to overcome the Lords' powers of delay. But it is a stone in the path, and ideologues naturally wish to see it removed.

One such ideologue is Mr. Eric Heffer, the Labour Left-winger, who is chairman of a committee of his party that is trying to devise a fresh scheme for the Lords. His recent threats against the Upper House are all in the abolitionist spirit, although he does not rule out a replacement second chamber. It would be surprising if Mr. Heffer and his colleagues come up with anything that could serve as a serious counterbalance to the Commons; anyway, the present betting must be that they will try for outright abolition.

When the argument is stated in this way, its obverse must also be recognised. An elected Senate superimposed on Britain's existing ramshackle constitution could have only one immediate purpose: to act as a counter-revolutionary force. This is why it is wanted by so many people who fear a take-over by a future Labour Government that has in some way become converted to the policies of the extreme Left. Such is not necessarily an unworthy purpose, but the Left will have no difficulty in recognising it for what it is, and the Centre and Right should not try to shelter behind euphemistic rationalisations.

An Upper House need not be counter-revolutionary. If it is appointed, or indirectly elected by notables, or representatives of local authorities, or in some other way cut off from direct contact with the popular will its power-base is at once circumscribed. Further weakening by drawing up rules about what it can and cannot do is then possible. This was what was in the minds of those who drafted the failed reform Bill of 1968. But now, as then, such a reform would be irrelevant to the needs of those who fear an unbridled Commons, led by an extremist Cabinet, while it might not be enough to satisfy contemporary abolitionists.

Yet "whatever the system of election and whatever its powers a *directly* elected second chamber would inevitably become a rival to the House of Commons," as the 1968 White Paper acknowledged. If such a chamber was elected at the same time as the Commons, by the same methods, the result would be a useless duplicate. If it was elected by states, as in the U.S., its principal function could be to resolve the tensions inherent in a federation: we may get there one day, but not yet. The best remaining option is a Senate elected at different times from the House, which would create a rival.

It is theoretically possible to stipulate that election to the Upper House shall be by 16-year-olds, with candidates chosen only by Trotskyite committees, but this is unlikely to be accepted. Any serious reform would attempt to give the new Upper House an air of—shall we say—calm deliberation. A higher age limit (30? 25?) for candidates, election for longer periods (six years?), retirement of one-third or one-half of the Senate at set intervals, and the like would all have this effect. It is also highly probable that such a Senate would, in Left-wing terms, be counter-revolutionary.

A moment's consideration will show where this leads us. Written rules for the Senate would become part of a written constitution. If the senators were elected at set intervals, why not members of the Commons? If the Second Chamber is to be a rival of any kind, then written rules setting out its own powers, the powers of the Commons, and a method of resolving disputes must surely follow. In a very short time the logic of the process leads to wholesale constitutional reform, complete with a written document at the end. I would have high hopes if there were such a development, but the question remains: have all the Right and Centre proponents of an elected Upper House thought it through?

If a new second chamber was elected on the first-past-the-post voting system we use for the Commons, the result would be no more democratic than the present Lower House. In my view *both* chambers should be elected by proportional representation, although changing to PR for the Commons alone would make a second chamber much less necessary. (When Mr. Heffer speaks of single-chamber legislatures elsewhere he should acknowledge that virtually every one of them is elected by PR.)

But we proponents of PR must face an immediate difficulty. If Mrs. Thatcher wins by a landslide at an early election, the argument that the existing system is producing a series of more or less hung Parliaments will have to be abandoned. Of course that event has yet to take place, but in the current mood many people seem to take it for granted. The argument that the existing system is undemocratic, unfair and irrational would still hold, and as to the workability of the resulting Government we would have to see how the Thatcher Conservatives fared.

Never mind. The forces in favour of general constitutional reform are gathering—on devolution, the House of Lords, a Bill of Rights, the European Parliament and all. The logic of all these is allied with the logic of PR. The great reform will not come if our society persists in its irrationality, but then if it does so much else will be lost that it may not matter.

WITH—AND WITHOUT—A SECOND CHAMBER

	UPPER HOUSE	HOW CONSTITUTED
Australia	Senate	10 Senators per State, elected by proportional representation. Half retire every 3 years.
Belgium	Senate	Elected for four years, some directly by PR; some indirectly by provincial councils.
Canada	Senate	Appointed. 104 Senators apportioned by province. Retire at 75.
Denmark	Unicameral; PR	
France	Senate	283 members chosen by electoral colleges of notables in the departments.
Italy	Senate	Elected for 5 years, apportioned by region; each region has at least 6 Senators. The President can nominate 5 life Senators.
Netherlands	First Chamber	75 members elected by provincial councils for six years; half retire every three years.
Norway	Bicameral	The Storting divides itself—one fourth go to the Lagting; the remainder to the Odelsting. PR.
Sweden	Unicameral since 1971 PR.	
U.S.	Senate	2 Senators per State elected for 6 years. A third retire every two years.
W. Germany	Bundesrat	Members of governments of the Lander sit as the Bundesrat. Each Land has at least three votes.

Letters to the Editor

Taxing social security

From Mr. J. Watts.

Sir,—Colin Jones' excellent rticle (November 17) covers ie problems of applying incomeix to the whole range of social ecurity benefits, including many enefits in kind. May I suggest iat this is a classic case illusrating the danger of facing an pparently insurmountable total" problem and discarding he possibility of any action, vhile it might be relatively easy o tackle the root problem, which i this instance is, I suggest, unmployment benefit.

After all, this latter benefit is aid to the non-working populaon, that is, to persons who are nable or unwilling to find work the expense of the working ipulation. It is this area of bene- (and not the others) which, uite rightly in my opinion, has olved into the present emotive ue. I do not believe that in neral, the working population vho are paying) are particuly concerned about either sickss benefit going tax-free to fit persons or the other benefits iich are mostly means-tested d "in-kind."

Is there really any reason at the local Social Security ices could not apply PAYE ductions to basic and earningsated unemployment benefit d associated rent allowances? Every employee who leaves id employment is handed a m P.45 which contains all the ormation needed by his new mployer" (D of S S) if he en becomes unemployed, to act an ordinary employer, deduct and account for it to the rker and the Inland Revenue exactly the same way as any er employer.

Would it really be too much ra work for Social Security cers to learn to use tax tables l account to their fellows in Inland Revenue for such detions? (This would also autotically adjust the income-tax ates normally applicable upon oming unemployed.)

B. Watts.
The Green, Allestree, Derby.

Reduce the value

om Professor S. Eilon.

Sir,—Would it not be much ipler (and save a great deal administration) if, instead of posing a tax levy, unemploynt benefits were reduced in ue and paid tax free?

nuel Eilon.
bartment of Management Science,
perial College of Science and Technology,
ibition Road, S.W.7.

Natural gas reserves

om Mr. J. Goodland.

Sir,—Mr. J. A. Buckley ovember 20), who I identify until recently the member for rketing, British Gas Corporan, should check his facts fore rising to my bait; otherse, his arguments are just so ch hot air!

The annual Brown Book les quite clearly that bable gas reserves mean ose which are estimated to re better than a 50 per cent. nce of being technically and nomically producible," with sible "those which at present estimated to have a signifit but less than 50 per cent. nce of being technically and nomically producible."

lence, allowing for a perhaps ierous half on the probables l possibles together, the grand al of the fields under contract British Gas (deducting the half-share in Frigg which is not indigenous to the U.K.), comes to just over 1,000bn. cubic metres instead of the 1,430bn. quoted.

Should Mr. Buckley now care to consult Hansard of November 16, he will find that the Minister of State predicted that the "market value of the U.K.'s 1977 production of gas and oil" will be over £4bn., a clear indication that the Treasury's July estimates are based on notional import savings, rather than balance of payments.

In my letter of November 9 I suggested that the rapid depletion of indigenous natural gas for crude heating purposes was damaging the country's economy and debilitating the coal, nuclear and electricity industries. I now go further: the burning of this wasting natural resource at present cheap prices should be heavily taxed, so as to reserve it for truly premium uses.

John Goodland.
Down House,
Pyleigh,
Taunton, Somerset.

Subsidy for syrups

From The Secretary, British Maize Refiners Association.

Sir,—The report of November 18 under the heading "EEC Subsidy for Maize Syrups to End" needs some correction. I believe it emanated from a question raised in the European Parliament on November 17, when in answer to a question Mr. Pierre Lardinois stated the present levels of production refund payable to maize wet millers.

For the past two years these refunds have been determined annually for each crop year beginning on August 1. For the year from August 1, 1976 the level of refund has been set at 14 units of account but in respect of high fructose glucose syrup only ten units of account have been allowed, which means that the manufacturers have to repay 4 units of account in respect of each tonne of maize used to produce this product. The Commission has further proposed that there shall be no refund in respect of HFGS (but this does not apply to other syrups) from August 1, 1977.

I would also stress that it is a mis-statement to refer to maize-based syrups as artificial sweeteners. The only artificial sweetener at present available on the U.K. market is saccharin. Glucose syrups and high fructose glucose syrups are derived from processing of maize or potatoes and are just as natural as sucrose derived from sugar beet or cane.

Bernard Wheeler.
4, Southampton Place, W.C.1.

Investment and housing

From Mr. B. Kilroy.

Sir,—At the time the Chancellor is reviewing his borrowing requirement and industrial strategy, why is such scant attention paid to one of his obvious means of reducing the one and fostering the other—a rearrangement of the mortgage interest relief for us owner-occupiers, which Hansard reports (PQ October 20) is expected to reach £1.1bn. this year? Indiscriminate or sudden changes are obviously out of the question—electoral sensitivity apart—but there are ways of modifying the present system without adding to the (just increased) commitments of recent, especially first-time, buyers and without harm to the building industry.

It would be unwise if the equally unpopular and equally justified reduction of subsidies to local authority housing were to be planned in isolation.

The evidence seems to indicate that, coupled with the consumption induced boom of the 1960s and early 70s, a comparative taxation advantage has encouraged resources to drain slowly out of industrial production into housing consumption: the post-war appreciation of house values (eight times) while industrial shares have stagnated (between three and five times the 1935 index); the doubling in the space of 15 years of the average proportions of personal wealth held in dwellings and the halving of that held in company securities (Diamond Report No. 4, 1976); the increase by a third within a decade of the annual proportions of all U.K. financial institutions' funds devoted to private house purchase loans net (NEDO "Finance for Investment" 1975).

The present operation of mortgage interest relief is just as inefficient on housing criteria alone. It is usually defended as aiding the first-time buyer and the producer. Yet within seven years its annual cost in revenue forgone has more than doubled (in *real* terms) while owner-occupation has only increased by 18 per cent. and output has actually fallen by some 15 per cent. Is it to the national advantage that its benefits are mostly absorbed by established owners either settled in houses already built or through the process of exchanging one house for another?

Bernard Kilroy.
104, Princes House,
Kensington Park Road, W.11.

The decimal point

From Mr. D. Appleby.

Sir,—Now that to-day's £1 is worth only one sixteenth of the Edwardian £1 is it not high time that the decimal point was shifted one place to the left, as the French did? The sixpence as the new farthing, the reintroduction of the penny post, etc., would bring back a sense of value and the 2½p share has a real 1970s ring about it. Your paper, Sir, would then cost us one penny again—until the next farthing increase!

D. H. Appleby,
Broadway, 2, Manor Street,
Keelby, via Grimsby,
South Humberside.

New child tax allowances

From Mr. M. Deller.

Sir,—Your Economics Staff reported (November 17) on a written answer of Mr. Joel Barnett, Chief Secretary to the Treasury, concerning the new child benefit scheme, in which he commented that the proposed accompanying changes in child tax allowances, etc., ". . . will leave the great majority of taxpayers, including those at higher rates, in the same position . . . as they would have been under the Government's earlier proposals."

What he failed to add, however, was that in comparison with the present system, and in so far as it is possible for an ordinary mortal to make head or tail of these latest Westminster proposals, it would seem that they represent yet another turn of the fiscal screw for any wage or salary earner with a marginal tax rate of 50 per cent. or over in the case of the first child, and 60 per cent. or over in the case of second and subsequent children. Since these marginal tax rates apply to an ever-growing number of individuals of managerial responsibilities and below, this apparently means that at the same time that our present Prime Minister is solemnly agreeing that the managerial ranks, in particular, are both excessively taxed and selectively penalised under the "Voluntary Contract," and that he intends to ease their situation as soon as possible to restore some reward for extra responsibility and initiative, he is actually introducing a new tax on parents. The old child allowances could be renounced to avoid tax penalties at the higher marginal rates, but no such option exists under the new scheme.

Actions speak louder than words: Who does Mr. Callaghan think he is fooling with his sweet promises to selected audiences?

M. F. Deller.
The Chalet,
86, Baker Street,
Potters Bar, Herts.

The bakers' plight

From Mr. G. Ort.

Sir,—It behoves every firm whose products are in the Retail Price Index to realise that the plight of the bakers will, in good time, be theirs.

In spite of the fact that the bakers proved to the satisfaction of the Prices Commission that their costs, many of them Government inspired, had reason enough to justify an increase in the price of bread, the Minister has arbitrarily, with about three days of what is euphemistically called consultation, decided that they cannot have it.

The object behind this is to keep down the prices index so that the unions can be convinced that the 5 per cent. wage increase of the social contract will adequately meet the rate of inflation, currently, probably, 15 per cent.

The bakers in this country have been putting up with price controls for centuries. Its effect can be seen when you compare us with West Germany which has about the same population. They have 35,000 bakers, we have less than 4,000. The Germans enjoy a wide variety of fresh baked bread. We constantly complain at its poor quality.

George Ort.
The Bakery, Commerce Way,
Leighton Buzzard.

The British shirt

From Mr. N. Jones

Sir,—It is quite possible that H.M. Government may find itself obliged to impose additional restrictions upon the importation of shirts into the United Kingdom at the present time. The reasons for this will be the pressure exerted by Mr. Len Murray and others who claim that employment in shirt manufacture in the United Kingdom is suffering through imports.

If Her Majesty's Government accedes to this pressure and does impose restrictions one assumes that any purchaser of a shirt in the United Kingdom is likely to have to pay more in the future. This will reduce the amount of purchasing power left in the hands of the general public and thus reduce the total volume of all other purchases which the consuming public are able to make. Is it not, therefore, the case that any aid given to shirt manufacturers must, *ipso facto*, be at the expense of any other trade or industry which supplies goods for consumption in the United Kingdom?

Is it not in fact a perfect instance of what Mr. Winston Churchill referred to, many years ago, as "the right to rob Peter to pay Paul and to charge the public a thumping commission on the job?"

Newton Jones.
W. H. Jones and Co. (London),
Whetstone, N.20.

State owned industries

From Mr. R. Anstey.

Sir,—Your leading article on the State owned industries (November 19) rightly says that the NEDO study gives in too easily before the difficulties of disconnecting these corporations from politics. It seems worth while to consider what changes could achieve this. The most profound and perhaps the most desirable change would be to make these corporations financially independent of the Government.

Two basic questions need to be asked. Can we ever expect to see them achieve the efficiency of independent businesses if their managements know that they can rely upon the Government to fund their losses? Can we ever expect to see effective commercial management if they are subject to sudden cuts in their spending plans imposed by the Government?

I suggest therefore that these industries (with the exceptions mentioned below) should not be able to borrow money from the Government, but should have to depend upon the market for finance. Their borrowings should carry no form of Government guarantee repayment. Their capital expenditure plans should not be subjected to cuts imposed by the Government. The industries that do not qualify for this "new deal" would be the railways, the postal service and possibly the buses, all of which are or have become Government services in character.

Financial independence would not be incompatible with Government supervision, but this must be on reformed lines. This is not a job that the civil servant is trained to do. If there is the need for supervision, it could be carried out by a permanent specialised secretariat. Better still would be a decision on what criteria are to be exercised in vetting the activities of the industries, followed by a decision on who are the best sort of people to do that. There are many other points to be considered, but the most important must be to give financial independence to these industries, if they ever are to be commercially sound. It amazes me that this point seems never to have been considered seriously.

R. Anstey.
Platt Farm,
Long Mill Lane,
St. Mary Platt,
Nr. Sevenoaks, Kent.

Slow mail deliveries

From Mr. D. Buckman.

Sir, — I believe that the amount of mail handled by the Post Office has been declining recently. Could someone in that organisation please explain why it now regularly takes at least two days for a first-class letter to cross central London and why it also regularly takes up to ten day for an airmail letter from London to reach the east coast of the U.S. (I imagine the American Post Office will be blamed for the latter)?

David Buckman.
Buckman and Cranfield Press Services.
8G, Compton Road,
Canonbury, N.1.

To-day's Events

GENERAL

Present session of Parliament ends.

Labour Party National Executive meets.

National Union of Mineworkers Executive holds special meeting on early retirement.

EEC Agriculture Ministers end two-day meeting, Brussels.

European Programme Group ends two-day meeting on arms co-operation, Rome.

Duke of Edinburgh chairs General Council of his Award Scheme, combined with its London Overseas Conference, Guildhall, EC2.

Mr. Roy Hattersley, Prices Secretary, speaks at Marketing Society annual conference, Purcell Room, SE1.

City of London Corporation dinner in honour of Sr. Carlos Andrés Pérez, President of Venezuela, and Sen Pérez, Mansion House.

CBI London and South Eastern Regional Council meets.

Sir Robin Gillett, Lord Mayor of London, receives Speaker of Tunisian Assembly, Mansion House.

Mr. William Whitelaw, deputy Opposition leader, addresses London School of Economics Conservative Association meeting.

Computer Peripherals and Systems Exhibition and Conference opens, Wembley Conference Centre (until November 25).

PARLIAMENTARY BUSINESS

House of Commons: Consideration of Lords amendments (if necessary).

House of Lords: Consideration of Commons messages (if necessary).

OFFICIAL STATISTICS

New vehicle registrations (October).

COMPANY RESULTS

Associated Newspapers Group (half-year). Bank of Ireland (half-year). Comet Radiovision Services (full year). Hambros (half-year). Powell Duffryn (half-year).

COMPANY MEETINGS

Stothert and Pitt, Bath, 12. Wombwell Foundry and Eng., Sheffield, 12.

COMPANY NEWS + COMMENT

J. H. Fenner jumps £1.25m. to peak £7m.

AFTER RISING from £2.32m. to £2.88m. in the first half, pre-tax profits of J. H. Fenner and Co. (Holdings) finished the year to August 28, 1976, ahead by £1.25m. at a record £7m. on turnover of £62.24m. compared with £50.77m.

Earnings are shown at 11.37p per 25p share, on capital increased by last year's 3-for-10 rights issue, against 13.11p on the old capital. As forecast the dividend total is 6p (5p) net with a final of 3.5p.

	1975-76 £000	1974-75 £000
Turnover	62,235	50,774
Depreciation	1,472	1,061
Interest	810	810
From associates	157	[illegible]
Pre-tax profit	7,006	5,752
Tax	[illegible]	3,180
Attributable	2,408	2,322

† Debit.

Following the sale of 20 per cent. of the share capital of Pionier-Laura B.V. of the Netherlands, this company has been treated as an associated company and the comparative figures for 1975 have been amended.

In view of continuing losses the value of this investment has been written down to nil in the accounts by charging the appropriate proportion of the loss to the profit and loss account.

The profit increase was derived largely from operations overseas; profit earned in the U.K. was similar to that of the previous year.

Given the conditions of depressed business activity throughout the world, the group has proved its ability to maintain and improve its position even though several sectors were obliged to operate at different times at significantly reduced volume levels.

The directors say the present U.K. order book is higher than at this time last year and is better than could have been forecast at mid-summer. They see the short term outlook as moderately encouraging.

Overseas, they cannot as yet record any particular advance in the volume of business. Trading results are, however, being maintained.

The group manufactures power transmission equipment, industrial conveyor belting, fluid seals, and package handling conveyors.

• comment

The weakness of sterling has given Fenner's second half an unexpected boost, and pre-tax profits growth has accelerated from 15 per cent. in the first half to 28 per cent. in the second. Full-year profits are up 22 per cent. at £7m., against outside estimates which were pitched nearer £6½m. The U.K. held its own but it was the overseas operations which provided most of the profits advance, and U.K. sales now provide under half overall group profits. The result is not without its weak areas, the most important of which is the low level of sales of conveyor belting to the U.S. mining industry. Turning to this year, prospects look reasonably encouraging and Fenner could be in line for between £8m. and £8½m. pre-tax. Meanwhile after a high tax charge—60 per cent.—the p/e at 94p is 7¾, which is a fairly high rating, but it is backed by a yield of 10.2 per cent. covered twice. Borrowings have dropped from £9.8m. to around £8.3m. after a £1.25m. rights issue a year ago.

INDEX TO COMPANY HIGHLIGHTS

Tate of Leeds progress

FIRST-HALF 1976 turnover of main Ford dealers, Tate of Leeds, increased from £4.64m. to £5.36m., and pre-tax profit expanded from £1,025 to £45,297.

Plans outlined last June have progressed as forecast, says the *chairman, Mr. F. A. Tate.*

The directors are confident that these actions will result in a better long-term future for the group and the trends of the first six months of 1976 are beginning to show this, he adds. For the year 1975 the company incurred a loss of £145,749.

	Half year 1976 £	1975 £
Turnover	5,363,201	4,641,137
Profit	115,526	85,812
Less interest	70,229	85,757
Profit before tax	45,297	1,025
Taxation	23,554	553
Net profit	21,743	483

Standstill at Allied Leather

FIRST HALF 1976 pre-tax profits of Allied Leather Industries show little change at £251,369 compared with £247,346 including investment income of £31,108 against £22,815. Turnover rose from £5.24m. to £6.18m.

The interim dividend is held at 1.235p net per 25p share. Last year's total was 3.445p paid after pre-tax profits of £0.73m.

First half tax takes £120,500 *(£120,000) while a net profit on* disposal of properties adds £19,022 (£22,057).

Setback at Wharf Mill Furnishers

Turnover of Wharf Mill Furnishers increased from £888,500 to £1,044,300 for the six months to September 30, 1976, but profits fell from £57,700 to £10,200 before tax of £5,300 compared with £30,400.

The directors state that since July 1 the sales performance has materially improved, consequently they expect second half profits will be substantially restored to their normal levels although the full year's results are not expected to reach last year's level, when pre-tax profits were £140,201.

First half earnings are shown at 0.31p (1.74p) per 10p share. The interim dividend is lifted from 0.548p to 0.603p net. Last year's final payment was 0.739p.

Rowlinson Construct. growth

PRE-TAX PROFIT for the half year to September 30, 1976, of Rowlinson Constructions Group expanded from £321,000 to £602,700, and the directors expect the second half turnover and profit to be slightly higher than those now reported. Profit for the year to March 31, 1976, was £1.03m. Funds currently on deposit will be used further to expand industrial estates, the directors state.

The interim dividend is lifted from 0.6p to 0.66p net per 10p share. Last year's total was 2.005p.

• comment

An 88 per cent. rise in interim pre-tax profits continues Rowlinson's recent history of rapid growth. But the rate of increase is now beginning to slow down; growth in the previous two half years was respectively 210 per cent. and 122 per cent. In fact, the forecast that second half profits will be slightly larger than those of the first six months implies that the second half pre-tax level will be roughly unchanged at around £700,000 and suggests that growth is drawing to a halt. Despite this, though, the group appears to be in a stronger position than most of the construction sector. Last year it was working off about £13m. of local authority housing contracts and it is continuing to do well on its industrial building side, an area which so far has been showing the greatest resilience against the current building industry depression. With net cash currently in excess of £½m., the balance-sheet is strong, and at 40p the shares must gain some support from a higher-than-average prospective yield of 8.6 per cent. which should be covered about nine times.

Advance by Invergordon Distillers

DESPITE LOWER sales of £4.59m. compared with £5.17m., pre-tax profits of Invergordon Distillers (Holdings) advanced from £654,800 to £798,700 for the six months to September 30, 1976.

The directors say that the trading climate throughout the industry remains uncertain but full year profits are expected to exceed the record £1.53m. achieved for 1975-76.

The interim dividend is lifted from 0.55p to 0.6p per 25p share. Last year's final payment was 1.29436p.

	Six months 1976 £	1975 £
Group sales	4,587,900	5,168,200
Trading profit	1,128,700	1,006,200
Depreciation	126,800	108,300
Bank and loan int.	203,200	243,100
Profit before tax	798,700	654,800
Tax	415,300	340,300
Net profit	383,400	314,300
Interim dividend	117,042	106,182
Retained	268,358	208,118

Profits were achieved on a smaller turnover reflecting the growing importance in the company of sales, particularly overseas, of mature whisky, members are told.

• comment

Better margins on increased whisky exports have more than offset the effect of the overall 11 per cent. sales decline at Invergordon Distillers. Coupled with a 16 per cent. reduction in interest charges, this has meant pre-tax figures up 22 per cent. on a depressed first half last year. However, the second half is unlikely to show the same progress; price rises abroad are unlikely to be repeated and at home there is no change in the decline in sales which account for 70 per cent. of turnover. On second-half profits only marginally up on last year, the final figures could be £1.7m. against last year's £1.5m. But they could be worse if the Chancellor's mini-budget in December raises VAT or excise duty to the point where there is an immediate fall-off in demand for Scotch. A maximum dividend would yield 10.6 per cent. on a share price of 30p.

Winsor & Newton increase

Manufacturers and distributors of materials for artists, Winsor and Newton reports sales up from £3.73m. to £4.41m. for the first half of 1976 and an increase in profits from £346,000 to £366,000 subject to U.K. tax of £121,000 (£126,000) and overseas tax of £63,000 (£47,000).

Freddie Mansfield

Sir Francis Sandilands, chairman of Commercial Union Assurance, who reports profits more than doubled at the nine months stage.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Allied Leather Inds. ...int.	1.24	Dec. 6	1.24	—	3.45
Amal Industrials ......int.	0.63	Jan. 7	0.49	—	1.11
Cambrian & General	4.5	Dec. 21	4.06	6.5	5.63
Derritron ....int.	0.4(a)	—	Nil	—	Nil
J. H. Fenner and Co.	3.5†	—	3	6†	5
Invergordon Distills...int.	0.6	Jan. 10	0.55	—	1.84
Old Swan Hotel ....int.	0.35	Jan. 1	0.33	—	0.8
Rowlinson Constrct. ...int.	0.66	Jan. 7	0.6	—	2.01
Wharf Mill Frnshrs....int.	0.6	Jan. 14	0.55	—	1.29

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. (a) Subject to Treasury approval.

Outlook at Muar River Rubber

Sir John Denman Barlow, chairman of Muar River Rubber Co. says the crop of rubber from April to October was 2,501,000 kilos, compared with 2,361,000 kilos in 1975. The cif price of rubber for the first seven months of the current year has been 49p per kilo; with this higher price and the larger crops harvested, agriculture profits should increase. The cocoa crop was 39 tons, compared with 9 tons in 1975. Dividend income will also be satisfactory.

The cif price of rubber for the year ended March 31, 1976, was 31.8p per kilo, up 2.6p on last year.

The rubber study group estimate that natural rubber production in 1976 will be 3.7m. tons and consumption slightly less, so stocks will be increased marginally. Synthetic rubber production is estimated at 7.2m. tons and consumption slightly lower.

The directors think the outlook for rubber is reasonably good and it is hoped that industrial activity in the world will continue to improve.

The replanting programme during the current year is 104 acres of rubber on Ladong Sungei Muar and the cocoa planting programme in Sabah is being continued.

Sungei Krian Rubber Estate holds 16.8 per cent. of the company. Meeting, Plantation House, E.C., on December 15 at 12.30 p.m.

Lidstone back in profit

For the year to July 17, 1976, retail butchers and property investers Lidstone reports a pre-tax profit of £11,864 against a £2,716 loss.

After tax of £6,325 (£6,485) the net profit is £5,539 (loss £9,201).

The dividend is maintained at 0.35p net.

Amal. Industrials down halfway

ON SALES of £4.59m. against £4.73m., pre-tax profit of Amalgamated Industrials for the first *half of 1976 slipped from £720,000* to £608,000.

Interim dividend is stepped up from 0.4375p to 0.63p net per 25p share. Total last year was 1.1055p from profits of £1.27m.

The directors state that the recent sale of the investment in Herbert Morris for cash leaves the liquid position strong.

Every sector of the group continues to hold its own, they add. There have recently been some encouraging signs that trading conditions have begun to improve, and with the continuing recovery in profit of the Derritron group, the directors are looking for earnings in 1976 equivalent to those of 1975.

	Half year 1976 £000	1975 £000
Sales	4,585	4,728
Share associate	—	118
Profit before tax	608	720
Taxation	322	378
Minorities	19	25

Turnover of Derritron for the first half of 1976 improved to £1.58m. compared with £1.25m. for the six months to October 31, 1975. Profit was £186,307 against £91,323, subject to tax of £99,128 against £47,500.

Dividends are resumed, after a lapse since 1974, with an interim of 0.4p net per 10p share, subject to Treasury approval.

The directors state that both turnover and profitability have increased in the first half and this trend should be at least equalled in the second half.

• comment

Amalgamated Industrials had a 38 per cent. stake in Herbert Morris during this first half but, in view of the subsequent sale, there is no contribution to profits from this source against £118,000 last year. Therefore the £112,000 pre-tax fall at AI is mostly due to the sale and in subsequent accounting periods there will be a compensatory interest saving from the £1½m. received. Meanwhile, the electronics subsidiary Derritron, purchased last year, has produced doubled profits following attention from its new parent. This means that the rest of the group must have made lower profits—not surprising since the most important other area is the depressed one of steel stockholding and another subsidiary is in pressure die-casting. Now the company is liquid, some further takeover activity is possible. The caution of the stock market is reflected in the yield of 16¼ per cent. on the shares at 12p.

Safeguard policy is long term

The policy of Safeguard Industrial Investments remains unchanged, to invest in companies with long-term growth prospects and showing reasonable current yields, members are told by Mr. John Keeling, chairman, in his statement for the year ended September 30, 1976. By and large the portfolio reflects this aim, he adds.

Revenue for the year ended September 30, 1976, increased from £506,921 to £557,318 (reported November 5), and dividends totalled 3.1p against 2.8p.

Stated break up value per 25p share is 60.6p, which would be reduced to *59.2p after capital* gains tax.

Pearl Assurance Company holds 1.14m. shares, and the Prudential Assurance Company 1.11m.

Meeting, 37, Eaton Place, S.W., December 14 at noon.

Chairman's statement, Page 22

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TO-DAY

Interims: Allen (Edgar) Balfour, Associated Newspapers, Bank of Ireland, Braby Leslie, English National Investment, Evans of Leeds, D. and J. Fowler, Hambros, Thomas Locker, Melville Dundas and Whitson, Powell Duffryn, Roxmore Rotaprint, Sketchley, Sumrie Clothes, Transparent Paper.

Finals: Assam Trading, Atlanta Baltimore and Chicago Regional Investment Trust, Cardiff Malting, Comet Radiovision Services, Williams Hudson.

FUTURE DATES

Interims—	
Associated Television	Dec. 9
Bristol Plant	Nov. 25
Carless Capel and Leonard	Dec. 7
Carlton Industries	Nov. 25
Electric and General Invest.	Dec. 21
Elliott Group of Peterborough	Nov. 29
Marling Industries	Nov. 25
Pauls and Whites	Nov. 25
Pilkington Bros.	Dec. 8
Preedy (Alfred)	Dec. 8
Property Holding and Inv. Trust	Dec. 14
S.P.R. Investments	Nov. 24
Stanhope General Investments	Dec. 14
Swan Hunter	Nov. 30
"The Times" Veneer	Nov. 25
Finals—	
Causton (Sir Joseph)	Nov. 30
Mitchell Cotts	Dec. 2

Good first half seen by UCM

JUDGING by results for the first four months Mr. E. C. Sosnow, chairman of United City Merchants foresees good results for the current half year.

He reports that since the year-end turnover and earnings in all areas of the group's activities have been at a satisfactory level.

As reported on November 4, pre-tax profit for the year to June 30, 1976 jumped from £1.72m. to £2.7m. The dividend is stepped up from 0.847p to 0.931p net per 10 per share and a one-for-four scrip is also proposed.

Mr. Sosnow says that profits in the current year will be adequate for maintenance of the dividend on the increased capital.

He explains that the upsurge in profits last year was due to the elasticity and diversification of the group's activities and financial strength coupled with improved cash flow.

Meeting, London Hilton Hotel, W., on December 13 at noon.

هكذا من الأصل

£28m. from CU at nine months

PRE-TAX PROFITS for the nine months to September 30, 1976 of Commercial Union Assurance Company came to £28m. The published figure for the same period of last year was £13.7m. but because of the continuing significant fall in sterling the figure has been restated at £11.7m. at exchange rates prevailing on September 30, 1976. For all 1975 there was a published pre-tax loss of £10.2m.

	Nine months 1976 £m	*1975 £m	†1975 £m
Premium income	894.9	830.3	692.3
Inv. income	91.1	87.4	74.7
Life profits	5.5	3.9	3.5
U'writing loss	49.8	58.1	46.7
Share assocs. loss	—	1.8	1.8
Loan interest	18.8	19.7	18.6
Profit before tax	28.0	11.7	13.7
Tax & minorities	11.3	3.9	5.3
Attributable	16.7	7.3	8.4
Earnings per share	5.33p	2.50p	2.69p
Shareholders' funds	317	389	271

* Restated. † Published.

As expected the underlying growth in premium income has started to fall off as the cancellation of unprofitable business takes fuller effect and this trend will continue, say the directors, subject to further movement in exchange rates.

The improvement in the worldwide underwriting results reported earlier this year has been maintained.

In the U.K. the number of large fire claims increased in the third quarter and subsidence claims have been reported following the dry summer. These factors, together with the continuing effect of inflation and Court awards, have increased the underwriting loss.

In the U.S. substantial progress has been made in achieving rate increases and together with savings in commissions and expenses the statutory operating ratio has reduced further from 107.7 at six months to 106.9 at nine months (1975—110.4). The improvement in experience is seen in all major classes except Workers' Compensation where further rate increases are still required.

The business cancelled at the end of last year has continued to run off much as expected, and in arriving at the world-wide underwriting loss of £49.8m., claims of £5m. arising from this cancelled business have been charged to the provision of £15m. set up at December 31, 1975. This does not affect the U.S. statutory ratio.

In Australia following a programme of exposure reduction the level of underwriting loss is much lower than last year. Improvement in Canada has produced a near break-even result and in Western Europe, experience during the last three months has been marginally better than for the first half of the year.

Marine business particularly in the London Market continues to suffer from severe competition resulting from a world-wide over capacity for marine business.

According to a number of estimates total subsidence claims in the U.K., as a result of the drought, could range between £65m. to £100m. for the whole industry.

Commercial Union is expecting a rise in investment income in the final quarter, in line with the normal trend, plus an improvement in the U.S. underwriting position. The company has already stated that it expects to make sufficient post-tax profits to cover the cost of the dividend (£21.3m.).

See Lex
Statement, Page 22

J. Hepworth current year sales growth

TURNOVER of multiple tailors, J. Hepworth and Son, shows an increase of 17 per cent. in money terms in the current financial year, compared with the corresponding period a year earlier, says the chairman, Mr. R. E. Chadwick.

The directors believe the improvement is principally the result of policies adopted, rather than any general recovery in the trade, he adds.

As reported on October 30 group pre-tax profit for the year to August 31, 1976, was £2.8m. (£3.41m.) on a turnover of 28.55m. (£30.42m.), excluding VAT.

The difficulties of the year stem entirely from the lack of demand for men's outerwear, especially in relation to major articles such as suits, made to measure suits in particular.

This lack of demand is general to the trade and continued throughout the whole of the year and was particularly aggravated by the long hot summer.

Comparisons with the previous year appear better in the latter half of the period, but the second half of the year 1974-75 was the time when the drop to the current levels took place.

When demand in the traditional business returns to "normal" the company will be clearly well placed.

New branch openings are continuing, considerable domestic economies have been made and much done to increase efficiency.

Though the market in made to measure suits has currently declined, the directors are working hard to get an ever increasing share.

Numerous steps are being taken to improve the ability to perform efficiently under present conditions, mainly by the introduction of shirts and ties. Special arrangements have been made with two Hardy Amies concessionaries, Carrington Viyella in relation to shirts and Michelson in relation to ties.

A pilot scheme is under way to test the company's ability to retail shoes in the larger branches and a franchise agreement has been concluded with Lotus Shoes. Similar pilot schemes are in hand relating to other merchandise.

Capital expenditure during the year totalled £1,964,000 but sales of assets, mainly properties, contributed £423,000 to reduce the net figure to £1,541,000. Year-end commitments were £1.51m. (£9.77m.).

The cash position was helped by the outside financing of part of the credit trading operations and the debt to Hepworth from credit customers was held steady.

There was a net cash outflow of £1.19m. (inflow £3.03m.).

Meeting, Leeds, December 17 at 11.15 a.m.

Chairman's statement, Page 22

Andersons Rubber ahead halfway

On sales higher at £1.35m. (£1.16m.) Andersons Rubber, protective clothing and industrial rubber product manufacturers and distributors, has made a pre-tax profit of £70,506 (£66,518) for the six months to July 31, 1976.

The interim dividend, already known, is held at 0.5p net per 20p share. Last year's total was 1.2756p on profit of £114,658.

The Board states that if sales and margins continue at present levels they would expect the figures for the full year to be satisfactory. Overseas sales are particularly encouraging.

RECENT ISSUES

EQUITIES

Issue Price	Amount Paid Up	Latest Renunc. Date	1976 High	1976 Low	Stock	Closing Price	+ or −	Div. Amount	Times covered	Gross Yield	P.E. Ratio
—	F.P.	—	£10½	830	AmericaMedInt.Inc.($)	915	+8	Q24c	—	1.5	—
—	F.P.	—	£51⅞	£23⅛	Bemark $US1	£27⅜	+¼	Q$1.52	—	3.2	
—	F.P.	—	30⅞	23⅛	Utd.TechnologiesUS$	£29⅜	+¼	Q$1.20	—	2.5	—
—	F.P.	7/1	197	183	Willis Faber 25p	183	−2	b7.0	2.4	5.8	11.0

FIXED INTEREST STOCKS

Issue Price	Amount Paid up	Latest Renunc. Date	1976 High	1976 Low	Stock	Closing Price £	+ or −
US100	F.P.	—	$100	$98½	Kockums Mek 8% Guar. Notes 1983	$98½	−1
[illegible]	F.P.	—	98¼KD	98KD	Korea Development Bk 8¾% Guar. Bonds 1979	98¼KD	−¼
US100	F.P.	—	—	—	Midland Int. Fin. 8¾% Guar. Bds 1989	$100	
[illegible]	F.P.	—	71	70	Newman Inds. 10% Cum. Pref.	71	
100	F.P.	—	$c99¼	$c99	Nova(Scotia (Prov. of)9% Db. 1983	$c99	
94½	10	—	10¾	10½	Tendring Hundred W'wks 9% Red. Pf. 1981	10¾	
—	F.P.	—	75	75	Willis Faber 7% Cum. Pref.	75	

"RIGHTS" OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Dates		1976 High	1976 Low	Stock	Closing Price p	+ or −
54	Nil	—	—	—	—	Assoc. Engineering	4½pm	
A4	Nil	—	3/12	395	230	Broken Hill Props.	240pm	
11	Nil	—	—	1½	½	Cray Electronic	1pm	−½
25	F.P.	22/10	11/12	32	26	Fairbain Lawson	31	
24	F.P.	1/11	17/11	130	119	General Accident	126	−5
30	F.P.	29/10	10/12	130	101	Howden (Alexander)	122	−6
A1.75	Nil	3/12	17/12	85	42	National Bank of Australasia	55pm	+5
A1.20	P.Pd	16/6	—	141	80	Western Mining	82	+2

Renunciation date usually last day for dealing free of stamp duty. a Placing price to public. b Figures based on prospectus estimate. d Dividend rate paid or payable on part capital, cover based on dividend on full capital. p Pence unless otherwise indicated. u Forecast dividend: cover based on previous year's earnings. M Figures based on prospectus or other official estimate for 1976. Gross. τ Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividends. ** Issued by tender. Offered to holders of Ordinary shares as a "rights." ♥ 290 S.Afr. cents. † Rights by way of capitalisation. †† Tender allotment price. ♦ Reintroduced. ‡‡ Issued in connection with reorganisation, merger or take-over. ♣ Introduction. ♠ Issued to former Preference holders. ‡ Allotment letters (or fully-paid). † provisional or partly-paid allotment letters. $ With warrants. ◆ After suspension. KD Kuwait Dinar.

MINING NEWS

Cons. Gold Fields is still confident

BY KENNETH MARSTON, MINING EDITOR

AT THE LONDON meeting of Consolidated Gold Fields, the chairman, Lord Erroll, reiterated his view in the mining finance concern's recent annual report for the year to last June that "looking at the group as a whole, we can expect some improvement in profit in the current year."

As far as the U.K. building material and related businesses are concerned Lord Erroll said that they were continuing to do well and added that "with the almost certain prospect of a decline in U.K. constructional activities we are well placed to maintain our share of the market."

Looking further afield, he considered that with the new U.S. President elected the American economic recovery which has been delayed should get under way in 1977. Meanwhile, further organisational changes are in train in Australia in the group's tidying-up programme which has already brought about the merger of Associated Minerals Consolidated and Western Titanium.

Lord Erroll

Lord Erroll defended the recently criticised payment of $A360,000 (£125,000 from Gold Fields and £125,000 from CGFA) to Sir Brian Massy-Greene following the termination of his appointment as managing director of Consolidated Gold Fields Australia. This sum was arrived at by reference to Sir Brian's annual emoluments of some $77,000, the 6½ years he could have expected to serve until normal retirement and his pension rights.

This payment, said Lord Erroll was considered "fair, but not generous." He also took the view that the current pay policy in the U.K. "prevents us from rewarding our senior executives and staff as we would wish—and as they deserve," pointing out that their fall in living standards was greater than that of those lower down the pay scale.

Answering questions, Lord Erroll still saw a viable future for the Wheal Jane tin mine in Cornwall where it is thought the ore grade will improve with depth. He remained happy about the group's investment switch from platinum to increased holdings in gold; certainly this has been justified so far by the recent price movements of the two metals.

Lord Erroll said that he had accepted the invitation of the Bishop of Westminster to discuss the group's policy in respect of black labour in South Africa. Yesterday Gold Fields eased 3p to 153p in line with U.K. industrial share market influences.

OUTPUT DROP AT AYER HITAM

Tin concentrate output in October at Ayer Hitam, the Tronoh group company which changed domicile to Kuala Lumpur recently, has dropped to its lowest level since January. Behind the fall in production to 378 tonnes from 435 tonnes in September was the shutdown of the No. 2 Dredge for 13 days to complete planned routine repairs.

Even so, output after four months of the financial year at 1,756 tonnes is still running well ahead of the 668 tonnes at the same time in 1975. Despite higher production to date and better prices than last year, Ayer Hitam has already predicted that net profits for the year to the end of next June will be £600,000 lower than 1975-76 at £2.1m.

Elsewhere in the Tronoh group, the October production figures show increases over September, but cumulative totals are lagging behind last year. After seven months of its financial year, Sungei Besi's output is 857 tonnes against 1,171 tonnes last year, while at Tronoh itself, production for ten months is 1,830 tonnes against 2,128 tonnes at the same time last year. Outputs are compared in the following table:

	Oct. tonnes	Sept. tonnes	Aug. tonnes
Ayer Hitam	378	435	451
Sungei Besi	128	121	124
Sungai Way	51	59	59
Tronoh	214	196	194

Ocean Res: drill results

FURTHER drilling results are reported from the joint uranium venture in Australia's Northern Territory of Ocean Resources, the Canadian Superior group, Consolidated Gold Fields Australia and Pancontinental Mining. They cover exploration work at licence 130 over the period from early-June to early-November.

Six separate areas, a kilometre or more apart, have been drilled. A total of 49 percussion holes, totalling 4,340 metres, and two core holes, totalling 189 metres, have been completed. No significant radiometric anomalism was encountered in areas CS7 and CS9. The following table shows the best results obtained in the other four areas.

Area drilled	Uran. oxide lbs per tonne	Core length metres
CS3	0.82	2.5
CS3	3.4	3
CS8	0.62	2
CS12	1.36	1

While the values cannot be regarded as exciting, it is stated that the uranium mineralisation intersected was found in association with favourable geology and structural features and is considered encouraging. Additional detailed drilling is recommended to determine the economic significance of the uranium mineralisation discovered in each area. Ocean Resources were 29p yesterday.

AFRIKANDER LEASE RIGHTS RESULT

South Africa's Afrikander Lease has received subscriptions for 94.9 per cent. of its rights issue to raise R3.2m. (£2.18m.). The balance has been taken up by the underwriters. The shares were offered at 210 cents each. The money is to be used for the study of uranium treatment processes. Yesterday Afrikander gained 5p to close at 185p.

Sime Darby poll on Dec. 10

Fresh attempts were made yesterday by Sime Darby Holdings, to reach a compromise settlement of differences with Pernas, the Malaysian State-owned concern, for which Rothutra Nominees is acting.

On Friday, at Sime Darby's annual meeting in Kuala Lumpur, Rothutra blocked the re-election of four Sime directors. Failing agreement in the last-minute talks—for which Dr. Keith Bright, Sime's chief executive, flew to Kuala Lumpur—Sime plans to-day to send out its expected circular to shareholders.

Mr. Jim Bywater, Sime's chairman, said yesterday that the poll to decide the composition of the Board—to which Rothutra wants four of its nominees appointed—would take place on December 10. Both sides are actively canvassing support; Dr. Bright was planning to fly on to Hong Kong to see shareholders there.

Mr. Bywater added that, pending the shareholders' poll, the Board members whose re-election was blocked would continue to exercise their functions as directors.

The circular is expected to spell out for shareholders the present Board's view that the changes wanted by Rothutra would fundamentally affect the control of the company. It is also likely to define future expansion policy, which has been projected to involve takeovers outside South East Asia.

Mr. Bywater also said that Sime will take advice on whether to consult the London Take-over Panel on the Rothutra move.

Changes introduced this year to smooth the way for Pernas' takeover of London Tin Corporation resulted in the London City Takeover code no longer applying to non-U.K. resident companies under normal circumstances, he said. But the meaning of normal circumstances has not been fully defined, he noted.

Sime Darby London better placed

Due to appreciable progress made in improving management of Sime Darby London, the company is now better organised to achieve improved results in the current year, says Mr. L. R. Batterson, chairman.

As already reported, the company, which is a subsidiary of Sime Darby Holdings, reported pre-tax profits of £2.13m. (£1.36m.) for the year to June 30, 1976.

Sime Darby Trading which incurred an overall loss of £149,000 in the year under review, is now trading profitably. The money broking group Butler Till and Guy Butler achieved profits of £999,000 (£390,000) last year.

At June 30 deposits totalled £3.03m. (£1.9m.) and bank balances and cash £8.05m. (£7.23m.). Bank overdrafts and short-term loans—1976 £2m. secured were £4.3m. (£0.68m.). Meeting, Portland House, W, on December 13 at noon.

BIDS AND DEALS

Dunford & Elliott £1.1m. loss

In a letter to shareholders outlining details of its proposed £3m. rights issue, Mr. Frank Welsh, chairman of Dunford and Elliott reveals that the company has incurred a pre-tax loss of £1.14m. in its last financial year, compared with £1.21m. in 1975.

Mr. Welsh says that the financing arrangements are "quite separate" from the intended takeover bid announced by Johnson and Firth Brown but "while they do not prevent such an offer being made, they will enable the company to develop its potential which is in no way reflected in the offer terms announced. Any such offer would be unwelcome and could run on for up to 60 days before ultimate failure."

Trading profits for the fifty-three weeks ended October 2, 1976 are £1.58m. (£1.08m.) and the pre-tax loss is struck after net interest charges of £2.72m. (£2.28m.).

Dunford intends to recommend a nominal dividend of 0.5p a share for 1975-76 but expects to revert to "a much higher level of dividends" in 1977.

Although shareholders will have to wait until the passing of the rights issue proposals, to be considered at an EGM on December 15, before receiving more specific information about prospects and anticipated dividends for 1977, Mr. Welsh says that "the increase in demand for the rolled steel products of the steel group has resulted in a significant improvement in output levels in recent weeks and margins have improved following increased selling prices ruling from early October 1976."

The engineering group has produced record profits for the fifty three weeks ended October 2 1976 and remains optimistic with regard to its future prospects."

Mr. Philip Ling, general manager of Johnson and Firth Brown said yesterday that the Dunford letter "only confirms the grave straits the company is in and the generosity of our offer; it also confirms that the £3m. rescue proposals are quite inadequate." He expected consent to proceed with the JFB from the European Commission in two-three weeks time.

Meawhile, Dunford's injunction against Johnso nand Firth Brown to prevent it buying shares in Dunford, believed to be on the grounds that JFB had acquired privileged information in the course of separate negotiations before it launched its bid, is due to be heard to-morrow when a decision one way or the other is likely to be made.

Dunford's shares fell 1p to 25p in the market yesterday and JFB 1p to 40p which places a value on Dunford shares, on the basis of its offer terms of 32p.

See Lex

SEDGWICK FORBES

Sedgwick Forbes has purchased Female Financial Advisors, established in April 1975 to assist women on money matters. FFA will draw technical support and assistance from Sedgwick Forbes Personal Financial Management.

LOVELL'S

International Ferry Freight's £1.25 bid for each of the 425,583 shares (73 per cent. of the capital) of Lovell's Shipping that it does not already own had attracted acceptances from holders of only 6,345 shares when the offer closed yesterday.

However, the announcement is a formality since a revised offer of £1.88 per share was announced last Friday which met with the approval of the Lovell's Board. The directors, who control 22.33 per cent. of the equity, had rejected the first offer on the grounds that it was "ridiculously low." The revised offer closes on December 10.

U.S. offer 21p for Richards

A bid of 21p cash per share for Richards of Sheffield (Holdings) has been made by Imperial Knife Associated Companies Incorporated, a private American holding company. News of the offer, which values Richards at around £1.9m. and is not agreed, came well after market hours. Richards' shares ended the day 1p up at 13½p.

Informal talks have already taken place between the two parties, though terms were not discussed. The bid has been tabled by Imperial Knife—through its financial advisers Merchant bankers S. G. Warburg—inviting the recommendation of the Richards Board. The companies have a trading relationship going back many years.

Imperial Knife, which is engaged in the manufacture and world-wide distribution of pocket and hunting knives, household cutlery, stainless steel utensils, knives, forks and spoons, will safeguard the rights of Richards existing staff and employees. If the offer is succesful, it is further intended that, in addition to retaining the identity of Richards and its subsidiaries, there will also be a programme of plant modernisation and product development.

In its last financial year, ending on March 31, 1976, Richards reported pre-tax profits of £392,000 compared with £568,000 the previous year. The net asset value was 31.3p.

Richards has already had an internal reorganisation and the chairman stated on the last accounts that the directory were confident that "the measures taken during the last year have placed the company in a strong position to take full advantage of any improvement in the general trading position."

JOHN JACOBS

John I. Jacobs is acquiring the freehold of a new property, 19 Great Winchester Street, E.C., for £1.83m. Contracts have been exchanged and it is expected that completion will take place on December 1.

The company's intention is to occupy the building within the next few months and it will then become its registered office.

Shrdolet shret etao

FORMICA BUYS

Formica, a De La Rue subsidiary, has acquired from Domtar of Canada as from January 1, 1976, the capital of its subsidiary, Arborite, which carries on a decorative laminate business in the U.K.

Total net assets (after deducting loans of £959,311) of Arborite as shown in the last audited balance sheet at December 31, 1975, amounted to £345,641.

Formica has paid £190,000 cash as consideration for the capital, and £960,000 for loan stock issued since the last balance sheet, subject to adjustment, to reflect the financial position of Arborite as shown on an audited balance sheet to be prepared on completion—it is likely that this adjustment will lead to a reduction in the total purchase consideration.

Arborite lost £124,000 in 1974 and £59,000 in 1975; it has not been profitable in the eight months to August 31, 1976, but losses did not exceed £175,000, according to unaudited management accounts.

The Board of De La Rue is confident that this acquisition will make a satisfactory contribution to profits when integrated within the group, and that it will result in a stronger combined operation, better placed to resist competition from imports and to increase the attack on export markets.

MITCHELL COTTS EXPANSION

Mitchell Cotts Group has acquired from the joint receivers and managers of David Charles Group the business of Cab-Craft, a wholly-owned subsidiary of that group, for some £1m.

Cab-Craft is engaged in the design and manufacture of cabs for agricultural tractors, earth-moving machines, combine harvesters and other mobile plant.

REED & SMITH

Reed and Smith Holdings has passed the respective resolutions set out in the circular of October 29. Accordingly, the arrangements with National Enterprise Board will proceed.

Sayers' sales drive

A TURNROUND from a loss of £15,300 to a pre-tax profit of £10,100 is announced by Sayers (Confectioners) for the half year to July 31, 1976. Sales increased from £3.7m. to £3.87m. For the year to January 31, 1976 there was a profit of £23,500.

Sales were well maintained throughout the summer and by means of vigorous sales campaigns the directors intend to keep turnover and profitability at as high a level as possible, it is stated.

The half year's profit includes investment income of £21,100 (£17,900). Tax absorbs £8,900 (nil).

EXCHEQUER STOCK

The prospectus is published to-day in connection with the issue of £800m. of 13 per cent. Exchequer Stock 1980 at £96.25 per cent.

Interest on the stock is payable half-yearly on May 25 and November 25. The stock is payable in full and the application list will open and close on Thursday.

Chamberlain Phipps

Chamberlain Phipps, which will announce its interim results shortly reports substantial increases in direct exports from the U.K. from many of its divisions.

Exports of the group, which supplies materials and components to a wide range of industries worldwide, for the period April to September, 1976, were up by 76.5 per cent., to a record £3.2m.

Fundinvest sees further advance

Present indications are that a further advance in net revenue will be achieved by Fundinvest in the current year, although the extent of this increase is dependent on the future level of deposit interest rates, says Mr. R. Bleichroeder, chairman.

Outlook for the U.K. equity market is uncertain, he adds, but it seems likely that the fundamental strength and merits of investment trusts will become increasingly apparent.

The future of the company remains very much dependent on the performance of investment trust share prices, but the directors are of the opinion that their long-term attractions remain undiminished by the recent problems that have depressed the market in these shares.

The income of investment trusts derived from overseas investments should grow significantly over the next year, says Mr. Bleichroeder, reflecting not only increased dividends but also the effects of the depreciation of sterling.

Revenue of the company rose from £380,724 to £435,678 in the year to September 30 (reported November 5), and dividends totalled 1.924p net per 25p share.

Granville Investment deficit

A net deficit of £109,027 has been shown for the year ended September 30, 1976, by Granville Investment Trust. After income from dividends, etc., totalling £548,950 revenue was cut to £172,645 by a £376,305 dealing loss by a subsidiary.

The dividend is 12.5 per cent. Loss per share amounts to 11.3p and net asset value per share has declined from 383p to 348p.

	1976 12 mths. £	1975 31 mths. £
Income, dividends, etc.	548,950	522,029
Loss by subsidiary	376,305	*75,290
Revenue	172,645	388,919
Bank interest	128,824	118,483
Expenses	42,998	74,439
Jersey income tax	44,760	43,613
Net deficit	109,027	†162,381
Dividend	96,580	135,100

* Profit. † Surplus.

The directors say that while the outlook remains far from certain they think that in many areas values are unduly depressed and they continue to look for situations both in the U.K. and overseas which would give the chance of above-average capital appreciation.

Cambrian & General

Pre-tax profit of Cambrian and General Securities increased from £182,410 to £204,361 in the year to September 30, 1976, and the dividend is lifted from 5.6875p to 6.5p net per 25p share with a final of 4.5p.

The break up value of the Ordinary shares was 182.5p (174.5p)—valuation of investments £4,456,198 (£3,882,947).

	1975-76 £	1974-75 £
Gross revenue	295,744	251,753
Pre-tax revenue	204,361	182,410
Taxation	74,961	64,916
Preference div.	4,138	4,138
Ordinary	118,904	91,350

هكذا من الأصل

Brooke Bond forecasts profit rise

SUBJECT TO whether Brooke Bond Liebig will be allowed price rises to offset rising costs and to he. movement of monetary exchange rates, forecasts show hat there should be a satisfactory increase in trading profit for he current year, says the chairman, Sir Humphrey Prideaux.

Against the background of the esults to June 30, 1976 and rospects for the current year the lividend is raised to the maximum ermitted 2.4745p net.

As reported on November 3 roup pre-tax profit for the past ear expanded from £14.69m. to 26.9m., on external sales up from 473.71m. to £591.38m. The value f goods exported from the U.K. ncreased from £13.5m. to £16.64m.

The benefits of the major reorganisation of production, sales nd distribution were reflected in he results, it is stated.

An analysis of sales and profits £000s omitted) shows tea, coffee, eat and other food products 534,239 and £15,166; plantations 3,932 and £6,423; ranches £3,581 d £1,945; other activities 4,695 and £1,050, less intra-group les £85,071. Profit on sales of red assets £2,315.

The ratio of total net borrowgs to shareholders' funds improved from 62 per cent. to 41 r cent. There has also been a gnificant improvement in the tio of short term to total borwings. Closing net short term rrowings were £10.99m. 36.01m.).

Fixed assets increased from 9.91m. to £105.78m., and capital penditure contracted was 05m. (£4.46m.) plus authorised t not contracted £10.5m. 9.9m.).

A professional valuation of U.K. operties at end June showed a ficit of £3.6m. This amount, less credit of £2.1m. in respect of a rplus on the revaluation of proties overseas, has been charged reserves.

The directors are of the opinion at market values in local curncy of ranches and certain other operties overseas are in excess of book value. With certain reservations, they are of the opinion that the sterling equivalent of the excess of market value over book value is of the order of £21m.

Meeting, 76, Shoe Lane, E.C., December 17 at 11.30 a.m.

E. J. Riley down to £278,174

MANUFACTURERS and repairers of billiard tables etc E. J. Riley —a private company—reports a turnover down from £4.9m. to £4.38m. for the year to July 31, 1976, and a fall in pre-tax profits from £350,710 to £278,174.

After tax of £126,699 (£206,113) earnings are shown at 12.62p (15.17p) per 10p share. The dividend is lifted from 1.45p to 1.75p net with a final of 1p. The retained balance is £130,473 (£157,689 after extraordinary credits of £32,492).

Results for the first three months of the current year show an improvement on same period last year, say the directors. However, because of the problems facing the country they do not speculate on the outcome for the year beyond saying that results for the first six months should be very satisfactory.

New reinsurers

A new reinsurance brokerage firm—Gras Savoye Willis Faber—is being formed jointly by Willis Faber and Gras Savoye of Paris. The company, based in Paris, will handle both inward and outward reinsurances in France.

The chairman of the new company will be M. Patrick Lucas. Mr. Nicholas Davenport, who has been concerned with Willis Faber's French reinsurance business for some time, will be in charge of the new company's management.

39 companies wound up

Orders for the compulsory winding up of 39 companies were made by Mr. Justice Slade in the High Court. They were:

Sutherland Mills, Radio Interm, Westward Circuits, Applele Fashions, Sidefinch, Britannia d St. Andrews Wharves, Winsn Estates.

Roman Securities, Baronsons tals, Film Links, Ram Racing, rryway, HM Holdings outhern), Setonian.

Stanford Productions, FSE ashions), Lin-Bri Holland (Shipng), D. and E. Plastic Comnents, Riley and Kemp, SHARP th Ashtone, Constellation retch Covers.

CAM Trailer and Engineering ompany, Henry Sherwood Proictions, Fast Food Catering, Topsat, Eurosystems (Shipping), oddard and Brown, Helsim Elecical, Hair Technology (Interational), Rayken Design and onstruction.

R. D. Marsh (Carpenters and uilders), Dependable Roofing ristol), Gem Hotels, Charinglade, A. E. Holmes and Son, Bernard Symond Holdings, Panny, Sleeman-Smith, and Servais Silencers.

Aberfoyle Plantations

Pre-tax profit of Aberfoyle Plantations decreased from £62,029 to £13,994 in the year to July 31, 1976.

Tax absorbs £740 (nil), leaving £13,254 (£62,029) before extraordinary debits.

'FAGS' POSTPONES PREF. PAYMENT

Antofagasta (Chili) and Bolivia Railway, has postponed consideration of a further payment on account of the arrears of the dividend on the 5 per cent. Cumulative Preference Stock until the results of working for 1976 are known.

Investment trusts now fighting back

BY CHRISTOPHER HILL

AFTER A year of heavy attack from investment commentators, investment trusts are now starting to fight back. Yesterday at the annual general meeting of the Association of Investment Trust Companies, Mr. David Hunter Johnston, chairman, said that the asset management of investment trusts had outperformed unit trusts and shares over most periods ranging from 6 months to 10½ years, ended September 30, 1976.

These figures relate to the 50 companies which constitute the FT Actuaries Investment Trust Index, accounting for about 60 per cent. of the market capitalisation of the whole sector. The comparison presented is between these 50 companies, the FT All Share Index and the Unitholders Index (the average performance of unit trusts). They have been in the process of compilation for some time.

Mr. Hunter Johnston said that "these figures demonstrate beyond dispute the merits of collective investment in diversified portfolios under professional management." He added that the investment trust concept was not obsolete, for the figures also demonstrated the quality of that investment management and that in this respect investment trust companies had "no reason" to fear comparison with unit trusts.

But he admited that the figures for share price performance presented "a sadly different picture." Here the 10-year record shows that the Investment Trust Index has underperformed the Unitholder Index for all periods except the two-year period to end-March, 1976, and has underperformed the All Share Index for all periods. The difference between asset management performance and share price performance reflects the widening discount on net asset values.

The most puzzling aspect of the present state of affairs according to Mr. Hunter Johnston is that "investors are willing to buy units of a unit trust at a price which can be 10 per cent. or more above the value of the underlying securities at a time when the share of investment trust companies are available at a price 40 per cent. below asset value." He thinks that this is irrational, but that the paradox is at least partially explained by the fact that more than 25 per cent. of all unit trust sales arise from assurance-linked schemes which attract tax relief.

One answer to the problems of investment trusts, in Mr. Hunter Johnston's opinion, is that the widespread ignorance of the nature and merits of investment trust companies and their shares points to the need for "more and better publicity, not only by the Association . . . but by the member companies themselves." He did not expect any overnight results from such publicity, but felt that "in due course," investment trusts would regain popularity and status.

In the wider sense, Mr. Hunter Johnston felt that investment trusts should try to influence the course of public policy "in a more open and positive way than had been our custom hitherto." He predicted that during 1977 Association members would need to engage themselves more closely in the renewed debate on two-tier Boards, workers' representation and the functions, duties and responsibilities of directors.

APPOINTMENTS

Charterhouse legal adviser

Mr. Michael J. A. Broom has joined the CHARTERHOUSE GROUP as group legal adviser and Mr. Christopher C. Brown has joined the company as group financial controlled, operations.

★

Mr. Ronald C. Kent has been appointed director (administration) to the INSTITUTION OF CIVIL ENGINEERS from December 1. He is at present Deputy Under-Secretary of State (Army) of the Ministry of Defence.

★

Mr. Leo Keys has been appointed a director of H. J. SYMONS (Agencies) and Mr. Richard Gibbs an assistant director of H. J. SYMONS AND CO.

★

Mr. Trevor Chinn, chairman of the Lex Service Group, has been appointed Chief Barker (president) of the VARIETY CLUB OF GREAT BRITAIN for 1977. Mr. Chinn was elected to the club's executive committee in 1963 and last year he became a vice-president of Variety International.

★

RICHARD KLINGER has appointed five divisional directors: They are Dr. Thomas Klinger-Lohr, sealing products, Mr. David Hewitt, fluid control, Mr. Michael J. Newcombe, engineering plastics, Mr. Robert J. Telling, finance, and Mr. Geoffrey G. Mitton, personnel. Mr. R. Wray has been made operations manager, sealing products, and Mr. Haydn Harries, sales manager, engineering plastics.

★

Charcon, the construction subsidiary of the Charterhouse Group, has made the following Board appointments at its tunnel lining company CHARCON TUNNELS, which was previously part of Charcon Pipes and Tunnels. The chairman is Mr. P. A. H. Viney and Mr. R. J. S. McBean is managing director. Mr. A. J. R. Hart and Dr. J. Weaver, who were both directors of Charcon Pipes and Tunnels, are appointed works director and technical director respectively. Finance director is Mr. J. Lyon, who currently holds the same position at Charcon Scotland. Mr. A. L. Shearer and Mr. K. Dixon, directors of Charcon, join the Board as non-executive directors.

★

Mr. R. N. Elphick has been elected deputy chairman of R. GREEN PROPERTIES and continues as joint managing director. Mr. W. E. Weeks has retired.

★

Mr. G. K. Harlock, a director of Jartay Securities, has been appointed managing director of JARTAY-HARLOCK ASSOCIATES from December 1. Mr. Harlock recently relinquished his position as a director and manager of C. E. Coates and Co.

★

Mr. George L. Bradbury has been appointed company secretary of MATHER AND PLATT.

★

Mr. R. L. Genillard is to become chairman of the management Board of THYSSEN-BORNEMISZA NV when Mr. Gerard B. Huiskamp retires from that post in mid-1977. Mr. Huiskamp will then be appointed to Thyssen-Bornemisza's supervisory Board as a delegated member. Mr. Genillard will resign from the chairmanship of the Credit Suisse White Weld group but will remain a director and retain his directorship of White Weld Holdings Inc.

HOME CONTRACTS

£4.5m. building work

MARSHALL CONSTRUCTION GROUP, Elland, West Yorkshire, has received orders totalling £4.5m. In Dunfermline, they will build a new store for the Littlewoods Organisation valued at £1.5m., and at Glasgow a £1m. confectionery warehouse for Ian Yates. Newcastle City Council has awarded the group a contract for 133 dwellings, worth £1.6m., while at Middlesbrough a £430,000 telephone engineering centre is to be built for the Department of the Environment, acting for the Post Office. Marshall has also won a £½m. factory and offices contract at Blackburn, Lancashire, for Remploy, and a £200,000 canteen and welfare project for United Biscuits at Ovenden, West Yorkshire.

★

HAMWORTHY ENGINEERING, part of the Powell Duffryn Group, has won an order to supply about £400,000 worth of equipment for 16 new vessels being built by Austin and Pickersgill, of Sunderland. The contract is for pumps, compressors and sewage treatment units for the ships, which are general cargo vessels in the SD14 series.

INTERNATIONAL FINANCIAL AND COMPANY NEWS

State to raise holding in DSM

BY MICHAEL VAN OS

AMSTERDAM, Nov. 22.

THE SHARE capital of DSM, the large Dutch fully State-owned chemicals company, is to be substantially raised by the Government, a move to take up new shares. The move is designed partially to help the company continue virtually unchanged its ambitious expansion programmes despite the reduced growth of the cash flow as a result of the familiar problems in the world chemical industry following the recession.

The Cabinet has approved the Economics Ministry plan to raise DSM's share capital from Fls.500m. to Fls.700m. The State, as sole shareholder, will take up new shares at 200 per cent. of the nominal value so that the DSM equity will rise by Fls.400m. In transactions to be effected in seven annual instalments rising from Fls.50m. initially to Fls.70m.

DSM, whose head office is in Heerlen in the southern Dutch province of Limburg, is currently working on a five-year expansion programme totalling Fls.6.5bn. Of this sum, about one-third will be spent abroad—largely in the U.S. and U.K.—one-third in Limburg Province and one-third elsewhere in Holland. Much of the investment programme will be financed from retained profits.

A Cabinet spokesman has said that the capital injection, which has to be approved by Parliament, will also be necessary in connection with DSM's longer-term plans of creating a second Dutch "production location" on the northern Dutch coast of Groningen Province, where studies focus on polymer and hydro-carbon production.

A DSM spokesman in Heerlen added to-day that in view of the very large amounts of capital needed, the company would go into those ventures in partnership with another company, still being sought. This could be a foreign company, it was added.

Meanwhile, in a separate announcement from The Hague, it was learned that the State, via the DSM natural gas subsidiary, will be participating in the production of natural gas in the Dutch North Sea Continental shelf L-10 and L-11 concessions of Placid, the U.S. oil company which is currently producing Holland's first North Sea gas reserve. Placid will receive at least Fls.400m. in annual instalments to be completed by around 1980.

The gas field in question in which the Government will get a 40 per cent. interest, is said to contain around 100bn. cubic metres of gas. When the production licence was granted back in 1971, the State declined to take up its 40 per cent. participation.

Meanwhile, an article in the staff magazine of DSM published this month said that although its long-term investment plan 1977-81 would largely be carried out as planned before the recession, some projects have been delayed. Certain fertiliser projects, especially in the field of Ammoniak, has been put on ice as a result of the still continuing "unsatisfactory" situation in Holland and U.K. regarding natural gas prices.

About half of the (unspecified) projected acquisitions by DSM has been postponed.

DSM's works council has been told by the management that investments would continue to be high, however, amounting to Fls.1.2bn. in 1976, Fls.1.5bn. in 1977, and Fls.1.1bn. in 1978. It was added also that, "as a result of the high running in costs and interest costs, profits will be very modest in the coming years."

It was added in the staff magazine report of the recent works council meeting that DSM, which saw its annual sales jump from Fls.500m. to Fls.4.7bn. in the period 1966 and to 1975, was, compared with some of its competitors, still limited in size as far as certain of its activities and regional spread was concerned. But the company's profit margin has declined less strongly than that of the "average" European chemical company.

Chatillon share bid

PARIS, Nov. 22.

CIE INDUSTRIELLE Chiers-Chatillon is making a takeover bid for Ste des Acieries et Trefileries de Neuves-Maisons Chatillon on the basis of 15 new Chiers-Chatillon Ordinary shares for every 11 Neuves-Maisons Ordinary shares, the Paris Stockbrokers Association said.

Shareholders representing about 90 per cent. of Neuves-Maison Chatillon's 813,924 shares intend to accept the offer, which is open until December 31.

Chiers-Chatillon was formed ger of Ste. des Hautes Fourneaux de la Chiers and cie des Forges de Chatillon Commentary Blache.

With the absorption of Neuves-Maisons Chatillon, the group will have an annual turnover of about Frs.4.5bn. and production of 2m. tonnes of steel.

MR. MURDOCH'S LOW PRICE FOR THE POST REFLECTS NEW YORK'S PROBLEMS

Changing trends in the press

BY STEWART FLEMING, OUR NEW YORK CORRESPONDENT

ASK Rupert Murdoch, chairman of News International what he thinks about the price he has agreed to pay for the New York Post and he will probably tell you that at $30-40m. the price is cheap for the oldest daily in the United States.

Compared with the prices other U.S. newspapers are fetching he is certainly right. But anybody who knows the U.S. newspaper industry will say that there is a world of difference between buying a provincial daily and a big city daily. For the metropolitan newspapers are caught up in the urban and social changes which are threatening the existence of so many of the country's major cities.

Only last month Mr. Samuel Newhouse, a newspaper magnate, paid the equivalent of $305m. for a chain of eight relatively small newspapers in the state of Michigan with a combined circulation of 500,000—roughly the same circulation as the New York Post. Mr. Newhouse paid 23 times earnings for the Booth Group assets—the sort of rating which even some of Wall Street's glamour stocks cannot command these days.

Since the 115-day newspaper strike in New York in 1962-63 the city has lost four newspapers, the "Daily Mirror," the "Herald Tribune," the "Journal American" and the "World Telegram and Sun." The latter two were afternoon dailies owned by two of the best known newspaper chains, the Hearst and the Scripps-Howard interests. Together with the "Post" these two afternoon papers in 1965 had a combined circulation of 1.25m. By 1967 when the "Herald Tribune," "Journal American" and "World Telegram" closed (they had previously merged) the "Post" had a circulation of around 700,000. Its circulation too has been declining ever since.

That it survived when papers with apparently greater financial resources behind them failed is in part a tribute to the determination of Dorothy Schiff, the owner and publisher, a granddaughter of the founder of one of New York's best known investment banking houses, Kuhn Loeb.

Her determination is amply demonstrated by the decision she made during the crippling 1962-1963 strike, to take the "Post" out of the Publishers Association and settle with the unions independently, a decision which may have saved the paper.

Now, however, she says that it would cost her prohibitive sums in inheritance taxes to pass the paper on to her heirs.

The factors which have hit New York's newspapers and those of other big cities are similar in ways to those that have threatened the cities' own finances, some of which are neatly summed up in the chilling phrase "white flight."

As poor blacks and Spanish speaking immigrants have moved into the urban centres, the more literate and better off has moved out to the suburbs. In some areas of New York, these minority groups represent well over half the population, and, indicative of the problem this has presented to English language newspapers is the fact that some New York subway stations make public announcements in Spanish as well as English. Suburban commuter trains do not.

The movement of the white population to the suburbs has been followed by the movement of advertising revenues to the increasingly popular suburban papers. Chain stores and supermarkets with their suburban outlets have found the selectivity of local advertising appealing and since the early 1960s the advent of colour television has also eaten into the advertising revenue market of the declining city centre newspapers

While newspaper advertising revenue across the country is probably over $8bn. now, and TV advertising perhaps a quarter of that, the revenues of the TV companies have been growing at about twice the rate experienced by newspapers.

Other social changes have also hit the big city newspapers particularly those publishing in the afternoon like the "Daily Post." They have suffered from serious labour problems—New York newspaper publishers only secured the agreement of key unions to technological changes two years ago.

The great increase in the number of working wives has eaten into the afternoon's daily market, for like their husbands these working women are apparently ready to take the'r news from the television when they get home.

In an effort to reach their dispersing readership the afternoon dailies have run into distribution problems as they rush their edit'ons out in the early afternoon just in time to coincide with the rush hour.

And finally this shift in population has opened up a healthier and stronger market for the suburban papers. In spite of the relatively poor quality of the journalism in some of its papers, the Gannet Company which publishes several papers in one of New York's wealthiest suburbs is a profitable and expanding chain.

In Long Island the Los Angeles Times Mirror group in 1975 took over "Newsday" and has transformed it into an expanding and profitable competitor to the New York Times, while the Bergen Record is doing the same in the New Jersey suburbs near the city.

Some people attribute the interest in local news to a growing isolation among suburban dwellers who are repelled both by international and national news, dominated, for so many years, by Vietnam and Watergate.

Others suggest that more newspaper readers are getting their major news reporting from television. Some television stations are even increasing local news coverage to meet the demand for local news.

Whatever the reasons, the stagnant circulation of, say, the New York Times, "which many regard to be still the best newspaper in the U.S.," testifies to the changes. Since 1969, the Times's profit margin has declined from nearly 7 per cent. to under 2 per cent. last year. There has been a recovery in its profits in the first nine months of 1976 when its earnings rose to $5.5m. (against $3.2m.) on revenues of $209m. (against $191m.).

But the contrast is sharp between the Times' profitability and the profitability of the Times' group's other interests. Its magazines including the Tennis and Golf Digest, for example, earned profits of $7.5m. on revenues of $67m. in the first nine months of this year.

And perhaps most significantly its chain of a dozen local newspapers in Florida and North Carolina—none of which has sales much over the 33,000 mark and whose revenues totalled $21m.—earned as much profit almost as the New York Times —$4.9m. in nine months.

Perhaps the simplest explanation for these high profits, which are matched by similar small town small circulation newspapers around the country, is that most of the papers are monopolies. "Wall Street analysts look at them as utilities without price regulation," Mr. Rupert Murdoch remarked.

It is into this turmoil in the industry that Mr. Murdoch has plunged with the purchase of a big city afternoon newspaper the New York Post. As the lack of competition for the paper and the relatively low price suggest there are plenty of people in the newspaper industry who would not be surprised to see him fall on his face.

Mr. Murdoch himself claims that New York, and perhaps Chicago, are different from other big cities in that urban masses are still swirling around during the day and still ready to buy newspapers. While the Post's circulation has fallen to around 494,000 Mr. Murdoch points out that it can still sell close to 700,000 when the news is there, as it did on the day Mr. Jimmy Carter was elected President.

And few would quarrel with the view expressed elsewhere that the "Post," for all its quality image compared with its morning tabloid rival, the New York Daily News, has been lacking in direction in recent years and would benefit from a face-lift.

Some observers suggest that the Daily News, the largest selling paper in the country could be vulnerable to competition.

Certainly other newspaper groups apart from Mr. Murdoch's companies have thought about opening an afternoon paper in New York. The Daily News itself is said to have looked at the idea.

At one time Mr. John M. Shaheen, the New York oil financier, was actively planning to enter the market with a "quality" paper to be called the New York Press. He spent some $12m. on the project but there are now doubts as to whether it will proceed in the wake of the bankruptcy of the main asset of Shaheen Natural Resources, the Come-By-Chance oil refinery in Newfoundland.

Mr. Murdoch says that he will try and liven up the New York Post with shorter, snappier stories but that he will keep it as an "up-market," paper. He does not see himself trying to compete out and out with the suburban papers by carrying more suburban news, as the New York Times is beginning to do. But he does hope to sell in the suburbs.

That he can succeed in the U.S. newspaper business appears to be demonstrated by the growth of his National Star weekly in three years into the second largest selling weekly in the country with 1.6m. circulation, primarily through supermarkets. But the Star's recipe of Hollywood gossip and home advice is not what he plans for the Post apparently, although it seems to be suited to suburban housewives doing their shopping.

With its "clean" balance-sheet, revenue of $50m., the purchase could prove a shrewd expansion. But to succeed Mr. Murdoch will have to prove that at least some of the social changes affecting big cities like New York can be halted or harnessed.

Mr. Rupert Murdoch, chairman of News International of Australia.

Search for Anspach buyer

BRUSSELS, Nov. 22.

SEARS ROEBUCK, the world's largest multiple retail chain is trying to find a buyer for its prestigious but ailing Belgian offshoot, Galeries Anspach. Company officials in Brussels say that talks are going on with "private Belgian financiers." If these talks fail, it is widely assumed that the Belgian Government may step in to take a share through its National Institute for Credit to Industry because of the employment implications for Galeries Anspach's 3,000 employees.

The Belgian chain store was already in trouble in 1971 (with a loss that year of B.Frs.161m.) when Sears bought a 98 per cent. stake. The American group's expectation was that by tightening up the management of what had been a loosely-run family company, and with proper cost accounting techniques, the position could be quickly turned around. But despite staff cuts of 10 per cent. last year, the 1975 loss was up to B.Frs.580m., with accumulated losses standing at B.Frs.1.64bn.

The Sears management has been criticised for trying to foist U.S. product lines on to unwilling Belgian customers. But the real problem—and an old one in the U.S.—is of traditionally prestige stores in the relatively depressed downtown areas losing out to the newer super and hypermarkets in the suburbs.

As a sector, sales by the big Belgian department stores are holding up well: sales increased by over 13 per cent. in the first six months of this year, as against only a 4 per cent. increase for the small retailers. True, the Grand Bazar de Liege chain is now in difficulties and may well follow the fate of another, Grands Magasins de la Bourse, which went into liquidation in 1974. But the biggest of them all, GB-Inno-BM, formed out of a series of mergers two years ago managed to clock up a profit last year of Frs.212m.—though admittedly tiny on a turnover of some B.Frs.56bn. It spread to the suburbs, with over 80 supermarkets and 30 hypermarkets has enabled it to shake the shakiness of its 30 downtown stores.

SEARS ROEBUCK

3rd Quarter	1976 $	1975 $
Revenue	3.8bn.	3.5bn.
Profits	159.5m.	119m.
Per Share	1	0.75
9 Months		
Revenue	10.5bn.	9.7bn.
Profits	381.7m.	281.7m.
Per Share	2.4	1.79

Dm. Euromarket still strong

BY TONY HAWKINS

DETAILS OF a new World Bank Euromark issue are expected to be announced to-morrow by Deutsche Bank which is to be lead manager. In the market, a seven-year issue of at least DM200m. is anticipated. To judge from last week's European Investment Bank offering, priced at 99½ with a 6½ per cent coupon over eight years (average life six and a half years), a similar coupon of 6½ per cent. seems likely.

Still further evidence of the strength of the Deutschemark sector is apparent in the decision to increase the Norsea Gas issue from DM100m. originally announced to DM150m., while the coupon for this 12-year issue is cut to 7¼ per cent. from the 7½ per cent. indicated.

The Norsea Gas bonds were priced yesterday at 99½, the lead manager, Westdeutsche Landesbank announced.

The Council of Europe is raising DM60m. with a 7-year bullet issue in the Eurobond market. The lead manager is Berliner Handels-und Frankfurter Bank. Meanwhile, the Industrial Mortgage Bank of Finland has strongly denied last week's reports circulating in West Germany that it is planning a Euromark issue of DM60m.

Interunion Banque is lead manager and the other members of the management group are Greenshields, Bank Gutzwiller, Kurz Bungener (Overseas), Banque de l'Indochine et de Suez, Banque Populaire Suisse, Berliner Handels-und Frankfurter Bank, Centrale Rabobank, Credit Lyonnais, DG Bank Deutsche Genossenschaftsbank and Gotthard Bank International.

Final terms for the Korean Development Bank $25m. 5-year bond issue are expected to be set on about December 7.

Following Friday's prime rate cuts and easing of monetary policy in the U.S., seasoned bond issues advanced in secondary market trading yesterday. In first-time trading the Midland Bank issue was traded in the 97½/97¾ range having been priced last week at 99. While some dealers described this as a disappointing debut, others took the view that the Midland stock was underpriced

BONDTRADE INDEX

	Monday	Frida
Medium	101.52	101.4
Long	93.05	92.9
Convertible	104.68	104.4

SELECTED EURODOLLAR BOND PRICES
MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer
Alcan 9½pc 1988	104½	105½
Australia 8½pc 1991	99⅝	100⅜
Bowater 9½pc 1986	103½	104
Canadian N Rwy 9½pc '86	100	100½
C.N.E. 9½pc 1983	101½	102
Denmark 8½pc 1984	97⅞	98½
E C S 9½pc 1986	102	102½
E.I.B. 8½pc 1986	99½	100½
Eran 9½pc 1983	102½	103½
Esso 8pc 1986 Nov.	103½	104½
Eurofima 9½pc 1983	101	101½
Granges 9½pc 1983	102½	103
I.S.E. Canada 9¼pc 1986	104	104½
Massey Ferguson 9½pc 1991	104½	103½
Michelin 9½pc 1988	101½	102½
Midland Int. Fin. 8½pc 1986	97½	98
Modo 9pc 1986	97⅞	98½
Nat. Westminster 9pc 1986	99½	100½
Newfoundland 9½pc 1988	100½	101½
Norpipe 9½pc 1986	102	102½
Norsk Hydro 9pc 1991	100½	101½
Oslo 9pc 1988	100½	101½
Ports Autonomes 9pc 1991	97½	98½
Prov. Quebec 9pc 1984	101½	102½
Quebec Hydro 9¼pc 1985	98	98½
Prov. Saskatchewan 8½pc 1986	101	101½
Svenska Handels 9½pc 1986	102½	103½
Volvo 9½pc 1988	103½	104
NOTES		
Australia 8½pc 1982	101	101½
Australia 8¾pc 1988	100½	101½
E C S 8½pc 1981	102	102½

	Bid	Offer
E.E.C. 8½pc 1983	100	100½
Kockums 8pc 1983	98½	99
Michelin 8¾pc 1983	100	100½
Montreal Urban 8¾pc 1981	100	100½
Nacional Financiera 10pc 81	101½	102½
Nat. Coal Board 8¾pc 1981	99½	100½
New Brunswick Prov. 8½pc 1983	101½	102½
New Zealand 8½pc 1986	99½	100½
Nippon Fudosan 8pc 1981	98	99½
FLOATING RATE NOTES		
B.F.C.E. 6½pc min. 1983	99½	99⅞
O K B 6½pc min. 1982	100	100½
Bk Tokyo Hldg 6½pc min. 1983	100½	100¾
Midland Bk. 7½pc min. 1988	pp [illegible]	101½
D. MARK BONDS		
Beecham 8pc 1983	101½	102½
E.I.B. 6½pc 1984	98½	99½
Giro Vienna 7½pc 1983	101	101½
New Zealand 7½pc 1986	104½	105
Pemex 8½pc 1983	99½	100½
Source: White Weld Securities, London.		
CONVERTIBLES	**Bid**	**Offer**
American Express 4¼pc '87	82	84
Ashland 5pc 1988	83½	85½
Beatrice Foods 4½pc 1992	101	103
Beatrice Foods 4½pc 1992	119	121
Borden 5pc 1992	101	103
Broadway Hale 4½pc 1987	78	80
Canon Camera 7pc 1988	105	—
Carnation 4pc 1987	94	96
Chevron 5pc 1988	111	113
Dart 4½pc 1987	95½	97½

	Bid	Offer
Eastman Kodak 4½pc 1988	105	107
Economic Labs. 4½pc 1987	77	79
Fed. Dept. Stores 4½pc '85	119	121
Firestone 5pc 1988	86½	88½
Ford 6pc 1986	85	87
Ford 5pc 1988	85	87
General Electric 4¼pc 1987	93	95
Gillette 4½pc 1987	72½	74½
Gould 5pc 1987	100	102
Gulf and Western 5pc 1988	88	90
Harris 5pc 1992	83	85
Honeywell 6pc 1986	82	84
ITT 4½pc 1987	76½	78½
Komatsu 7½pc 1990	99½	101½
J. Ray McDermott 4¾pc '87	139½	141½
Mitsubishi Elec. 7½pc 1991	102	104
Mitsui 7½pc 1990	101	102½
J. P. Morgan 4½pc 1987	109	111
Nabisco 5½pc 1988	95	97
Owens Illinois 4½pc 1987	112½	114½
J. C. Penney 4½pc 1987	84	86
Pioneer 6½pc 1988	290	[illegible]
Raymond 8pc 1983	102½	104½
Revlon 4¼pc 1987	108½	110½
Reynolds Metals 5pc 1988	86	88
Sperry Rand 4¼pc 1987	94	96
Squibb 4½pc 1987	77½	79½
Texaco 4½pc 1988	77	79
Toshiba 6½pc 1992	103½	105½
Union Carbide 4½pc 1982	103½	105½
Warner Lambert 4½pc 1987	79½	81½
Warner Lambert 4½pc 1988	76	78
Xerox 5pc 1988	77	79
Source: Kidder, Peabody Securities.		

هكذا من الاجل

INTL. FINANCIAL AND COMPANY NEWS

Neckermann's suitor cools as Karstadt link approved

BY GUY HAWTIN FRANKFURT, Nov. 22

THE FEDERAL Cartel Office has given the go-ahead for Karstadt, Europe's largest department store chain to unite with the ailing Neckermann Group. The surprise decision by the Berlin-based agency ends the recent uncertainty that surrounded the proposed link-up.

Proposals that would have led to Karstadt eventually taking a majority interest in the Frankfurt-based retailing group were enthusiastically adopted at Neckermann's annual meeting on July 1. The final decision, however, has been held up for almost five months while the Cartel Office examined the implications of the plans.

The Cartel Office's investigation has been a searching one. The bulk of Karstadt's operations are in West Germany, while Neckermann is the country's third largest mail order house, in addition to having substantial department store interests and a large travel business.

Neckermann's travel business has been one cause of concern over the deal. Karstadt has an important interest in Touristik Union International and the Cartel Office announcement states that this interest must be sold as quickly as possible if the merger is to go through.

A spokesman for Neckermann said, after the news, that the Cartel Office's decision cleared up the uncertainty which had affected staff and customers in growing measure since the summer.

This uncertainty came to a head last week as rumours of strong Cartel Office opposition to the deal spread in financial and stock exchange circles here. Neckermann shares took something of a pounding and ended the week at DM65.30 per DM50 nominal share after trading the week before at around the DM72 mark.

Usually well-informed sources had it that Neckermann's losses had proved rather higher than originally estimated and that Karstadt, as a result, had cooled on the deal. In support of this view, it was cited that the Deutsche Bank, a major shareholder in Karstadt, had shown no great enthusiasm for the merger in its publications.

It was also claimed that Neckermann was having difficulties extending its credit. However, reports this weekend stated that at least 20 banks already involved with the concern were prepared for a deeper engagement.

A Karstadt spokesman said that individual details of the deal may be changed but if it goes through on the basis worked out this summer, Karstadt, which already has a holding in Neckermann, will take up all of the concern's new share issue of a nominal DM35m. at a price to be set by independent assessors.

In the first phase of "co-operation" between the two groups, Karstadt and the Neckermann family will "pool" their shares to form a majority interest. Karstadt will then take over majority interest in Neckermann by about 1980 at the latest.

Neckermann's somewhat antiquated structure—a limited partnership with a large block of shares issued to the public—will be reconstituted as a public company. This, together with its new relationship with Karstadt, will give it better access to sources of finance.

The reason for the shareholders' enthusiasm for the deal has been Neckermann's miserable profits performance in recent years. Last year it achieved its meagre net of DM4m. only by selling off its insurance interest for a DM9.2m. profit. Store operations alone lost DM10m. This year, according to a spokesman, the group has operated at a loss rather than with the small profit previously forecast.

Last year Karstadt and Neckermann together produced a combined turnover of DM11.23bn. (£2.81bn.) of which some DM9.43bn., was in the store sector. Thus it is claimed that the newly formed grouping will control only about 3 per cent. of the Federal Republic's DM280bn. (£70bn.) retailing sector.

Essilor taking control of Optik

By David Curry

PARIS, Nov. 22.

THE FRENCH optical equipment manufacturer Essilor has strengthened its position in the German market by taking 100 per cent. control of the distribution concern Optik of Hanover. The German company in 1975 had profits of DM650,000 for a turnover of DM19.98m.

Essilor's other German subsidiary, Ehinger, is taking control before the end of the year of the Austrian concern Emil Ehinger, which up to now has remained outside the group and which turned in 1975 profits of 680,000 Schillings of a 12.77m. Schillings turnover.

NYSE member profits

The New York Stock Exchange said earnings of member firms in the third quarter rose to $90.4m. from a loss of $4.9m. in the year earlier period, reports Reuter from New York.

It said for the first nine months, member firm earnings increased to $385.8m. from $330.2m. a year earlier.

Of 387 firms, 377 were profitable in the third quarter and 110 had losses. Of 405 reporting for the nine months, 362 were profitable and 43 had losses.

Nissan aims for Y84bn.

Nissan Motor Co. is hoping to increase net profit to Y84bn. in fiscal 1976 ending next March 31, from Y52.21bn. in fiscal 1975. Mr. Tadashi Ishihara, the company's executive vice-president, said in Tokyo yesterday.

At a Press conference Mr. Ishihara forecast gross sales in the year at Y2,050bn. against Y1,770bn., according to Reuters. First half results to end-September, already announced, showed net profit at Y41.97bn. against Y19.42bn. in the same year-ago period and sales of Y1,002bn. against Y826bn.

Wing Tai earns $2.62m.

Wing Tai Development, a property development concern, announced a profit of HK$13.1m. ($U.S.2.62m.) for the year ended September 30, an increase of 11 per cent. over the HK$11.8m. ($U.S.2.36m.) earned the previous year reports AP-DJ from Hong Kong.

Caltex takeover

AN AGREEMENT on the takeover of Caltex's 1.5m. tonne refinery and its marketing organisation was signed to-day, writes K. K. Sharma. Caltex will be paid 130m. rupees in dollars in five annual instalments as compensation. With the takeover nearly 27m. tonnes of refining capacity in India out of a total of 27.5m. tonnes comes into the public sector and paves the way for restructuring the Indian oil industry.

Booster order

Hitachi said it and Nissho-Iwai have jointly been awarded a $2bn. order by the Soviet Machinery Import and Export Corporation for a full set of equipment for a natural gas booster station in the Soviet Union. The equipment, comprising five gas turbines, five compressors and wiring, for delivery by October, 1977, will be installed at one of 14 gas booster stations to be built in a 1,450-mile-long natural gas pipeline from Orenburg.

Turnover rises at Alusuisse

ZURICH, Nov. 22.

SCHWEIZERISCHE Aluminium AG (Alusuisse) said it expects consolidated cash flow this year to be some Frs.60m. to Frs.100m. more than the Frs.280m. reported for 1975.

Group turnover with third parties was nearly 30 per cent higher in the first nine months than in the same period of 1975, it said in an interim report.

Alusuisse said the increase in turnover of its aluminium division was in excess of one-third while sales of the chemical division rose by 11 per cent.

Production and services expenses increased in proportion to turnover but fixed costs were reduced through better use of capacities.

Overall, raw metal production of the company's smelters is currently being used at 80 per cent., it added.

Since spring this year aluminium demand has been higher, but as a precaution Alusuisse has only increased production slightly allowing it to reduce stocks.

Turnover in the group's Semis plants increased by 55 per cent. during the first half of this year, but since August orders in hand have decreased slightly.

Alusuisse said it is difficult to forecast the future development of sales and prices.

In the chemical division Lonza AG is working at higher capacity while German plants are also showing better results, the company said.

Meanwhile the group's engineering and general contracting division have strengthened their position in developing countries, compensating for decreased assignments at home, Alusuisse added. Reuter

Moroccan power

King Hassan of Morocco is quoted in Paris as saying that his country is considering purchase of a nuclear power plant from France, AP-DJ reports from Paris.

In an interview with Paris-Match, the king is quoted as saying that next year Morocco will "seriously study" the possibility of setting up its first nuclear power plant. "France will be a leading contender," he said. King Hassan is due to pay an official visit to France next week.

Favourable progress at Westland U.

BY MICHAEL VAN OS AMSTERDAM, Nov. 22.

WESTLAND - UTRECHT, the large Dutch mortgage bank, reports a continuation of this year's favourable progress into the third quarter. The bank notes in its quarterly report, its first to include a balance sheet and a profit and loss account, that the operating profit—total revenue minus total costs—amounted to Fls.50.8m. in the first nine months of this year.

This represents an increase of 33 per cent. on the operating revenue of the same period the previous year (Fls.38.9m.).

Westland-Utrecht, which adds that the favourable development in business was expected to continue for the rest of the year, too, said in the report published here that the nine-months total revenue has amounted to Fls. 89.8m. (Fls.68.4m.), of which interest income accounted for Fls.61.6m. (Fls.46.3m.) and commissions, etc. Fls.22.1m. (Fls. 18.5m.).

The statement adds that the mortgage bank's total costs increased to nearly Fls.39m. from Fls.31.5m.

On September 1 this year, the Amsterdam-based Westland-Utrecht company report a first-half net profit of Fls.12.7m. (Fls.10m.).

In this week's statement, the company notes that its mortgage loan portfolio has exceeded the Fls.5bn. mark in the course of the third quarter. As at September 30, 1976, mortgages outstanding totalled Fls.5.18bn., which represented an increase of nearly Fls.1.1bn. on the same date a year before when the increase amounted to Fls.0.725bn. It is added that business in the property sector had continued to develop well in the third quarter.

As regards what the company calls "passive financing," it is stated that the quarter was characterised by a temporary strong rise in money and capital market interest rates and that for a certain period 10 per cent. mortgage bonds had again been issued by Westland-Utrecht.

Banks act in Colombia

BY OUR OWN CORRESPONDENT BOGOTA, Nov. 22.

FOLLOWING legislation under which foreign banks must transfer at least fifty-one per cent. of their ownership into Colombian hands, six out of seven banks affected have now announced plans to comply with the measure and begun conversion.

But the First National City Bank, the biggest foreign bank in Colombia and the one to have shown greatest antipathy towards the Colombianisation procedure has not so far announced its proposals for conversion.

The bank of London and South America—a subsidiary of Lloyds Bank International—will keep a forty-nine per cent. share in the newly-formed "Banco Anglo Colombiano," and the remaining 51 per cent. will be owned by fourteen Coombian sharehoders, among them leading importing companies and the Colombian tobacco producing firm, Protabaco.

The new bank has an authorised capital of $6.8m. of which $3.5m. has already been paid in, but the transfer does not have to be completed until the end of 1978.

The Royal Bank of Canada's new venture is to be known as the Banco Royal Colombiano, with five Colombian shareholders taking 51 per cent. of the ownership and an authorised capital of $3.6m. Likewise, the Bank of America becomes the Banco Colombo-Americano with an authorised capital of $4m. and a group of Colombian shareholders which includes the country's leading textile company, Coltejer.

Of the remaining banks, the Banco Real of Brazil is forming the Banco Real de Colombia, the Banque Francaise et Italienne pour Amerique du Sud becomes the Banco Frances Y Italiano de Colombia and the Banco Franco Colombiano had previously transferred more than 51 per cent. of its ownership.

SOUTH AFRICAN SUGAR

Crisis point for the industry

BY RICHARD ROLFE

TRADITIONALLY the 2m. tons per year South African sugar industry has relied on profitable export sales to subsidise the domestic market at well below the cost of local production. But during 1976 the industry has fast been approaching crisis point because of falling proceeds from exports and the inexorable rise in internal costs.

The Ministry of Economic Affairs, which controls the domestic sugar price, has delayed an increase for as long as possible in the hope that export prices, determined largely in relation to the London Daily Price (LDP), would pick up.

In September, the domestic price was raised R18 per ton to R128 as an interim measure, but at this higher level was still lower than in 1967, there having been two price reductions in the interim. Last week, however, the Government bowed to the inevitable and sanctioned a really substantial further rise to R190 per ton which is just about in line with the present cost of production.

Depressed market

Despite the big price rise, South African sugar shares have remained a depressed market. The average yield on the six quoted stocks is 10 per cent. and taking out Lonrho's subsidiary, Swazi Sugar which, with a handful of shares held by the public, yields only 2 per cent., the average on the straight South African stocks is 12 per cent., a low sectoral rating even to-day in Johannesburg.

Companies are beginning to report lower profits, with Huletts' earnings down by a third and the market leader, C. G. Smith Sugar, down marginally overall but with higher dividend income compensating for reduced sugar account profits.

The problem overhanging the sector is that unless the LDP improves, further price rises will be needed to restore profitability. But in the current inflationary climate, the Government is reluctant to hike a basic commodity price, which affects black families more than whites, and has a ripple effect on soft drinks, confectionery and on the fruit canning export industry, already under pressure as a result of the decline of sterling.

One way of restoring profitability would be to change the price formula used by Government to determine profit margins, which calculates capital investment in the industry on the depreciated historic costs of assets and working capital. This amounts to R222m. in the case of milling and refinery capacity, on which a return of 14 per cent. is allowed, and to R377m. in the case of the growers, who are allowed 7 per cent. Capital employed on a replacement basis, however, is R355m. for the millers/refiners and R522m. for the cane growers.

One hope in the past was that the Price Stabilisation Fund, to which export proceeds were transferred in years of high export prices, would reach a large enough figure to compensate for the low domestic price. Over the four seasons up to 1974-75, a total of R102m. was contributed to the fund, but in the past two, massive withdrawals have led to its currently standing at a deficit of R14m.

However, the fund can at least be built up again if and when the LDP recovers. Current thinking in the industry, largely based on the market surveys of London dealers, is that a surplus will persist in the world sugar export market at least until 1978. Meanwhile, the LDP is currently worth R166 per ton to the South African sugar producers, so that for the first time in many years it stands below the domestic price as well as below the cost of production.

In the longer term, too, some action will be needed to increase the surplus available for export. Domestic demand is growing at about 7 per cent. compound annually and eating into the 0.8m. tons now exported. Without higher output, the export surplus will be consumed locally within about 7 or 8 years at this rate of growth and export proceeds worth as much as R200m. in a good year will be lost.

Mr. John Willsher of Illovo Sugar Estates, in which Tate and Lyle has a 49 per cent. interest, has recently pointed out a number of constraints on raising output. These include shortage of available canelands within economic reach of existing mills, competition for labour (the industry is labour intensive) and above all the current low return allowed on capital employed.

Some of the quoted sugar producers have diversified into other sectors of industry. Huletts has built up transport interests and, two years ago, acquired Alcan's aluminium fabrication interests. Tongaat is one of the largest brick producers in the country. But scope for this kind of move is limited, as the market dislikes conglomerates.

Stabilisation

So while the industry can make some marginal moves to improve profitability—increasing emphasis, for instance, on derivatives—the level of the domestic price remains the key. The Sugar Association has figures showing that had the price been allowed, since 1970, to inflate at the same rate as the Food Price Index it would now be R261 per ton against the R190 established last week. Ultimately, too, the industry hopes that the Price Stabilisation Fund will be used solely to stabilise export proceeds and be kept at arms length from the home market, which would then at least have to break even.

WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

Index up 7 on falling interest rates

BY OUR WALL STREET CORRESPONDENT

NEW YORK, Nov. 22.

THE RECENT ADVANCE resumed on Wall Street to-day helped by falling short-term interest rates and a growing feeling the incoming Carter Administration will take a cautious approach towards economic matters.

The Dow Jones Industrial Average moved up 7.07 to 955.87 and the NYSE All Common Index rose 36 cents to $54.97, while gains led losses by more than a two-to-one majority. Trading volume, however, sharply decreased by 3.62m. shares to 20.93m.

Analysts attributed the market's rise primarily to the Federal Reserve Board's reduction in the U.S. Discount Rate to 5¼ per cent. from 5½ per cent.

Another important move by the Fed was a policy-easing signal to the Money Market, in which the Fed indicated it was lowering its interest rate target on Federal Fund—the reserves that banks lend one another.

Also First National Bank of Chicago cut its prime lending rate to 6¼ per cent. from 6½ per cent., following a similar move by New York's Morgan Guaranty Trust last Friday.

In addition the market was helped by forecasts for higher Retail Sales.

Sears Roebuck put on $1 to $70⅞ on sharply higher third quarter earnings.

RCA gained $½ to $25⅞—it agreed on a new national contract and local contracts with the International Union of Electrical, radio and Machine Workers.

Gray Drug Stores added $⅝ at $16½ on a raised quarterly dividend.

Opelika Manufacturing rose $⅞ to $17½, following a four-for-three stock split plus raised quarterly cash dividend.

Atlantic Richfield were up $⅞ to $57¼ and **Phillips Petroleum** $⅞ to $60½—the Indonesian Government said they signed new Production-Sharing Agreements giving the Government an 85 per cent. share in production.

THE AMERICAN SE Market Value Index put on 0.20 to 100.24 and advancing issues led declines by 357 to 278.

Cornelius eased $¼ to $10½—it purchased about 320,000 of its shares at $10½ each under its offer.

MONDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Kaufman and Broad	249,100	9⅞	−¼
Amer. Tel. and Tel.	270,000	62½	−⅛
Occidental Petrlm.	190,300	19⅞	−⅛
Texaco	160,500	26⅜	−⅛
Intnl. Tel. and Tel.	152,500	31⅛	−⅛
Chrysler	151,700	20	+⅛
Southern Co.	150,200	17¼	−⅛
Gulf Oil	145,500	26⅞	−⅛
Citicorp	140,100	25⅞	−⅛
Tandy	146,100	36⅞	+⅛

OTHER MARKETS

Canada mixed

Canadian Stock Markets were mixed in light trading yesterday. The Gold Share Index moved up 7.59 to 291.06. Western Oils rose 0.26 to 201.59. Utilities 0.19 to 137.19, Banks 0.63 to 231.07 and Papers 0.66 to 104.78. But Industrials lost 0.57 to 168.24 and Base Metals eased 0.52 to 78.38.

Noranda gave way $½ to $20½. Bell Canada $⅞ to $46½. Alcan $½ to $22¼ and Genstar $¼ to $20½.

PARIS—Generally lower, with heavy falls in Steels, Constructions and Stores. Metals also fell an average 3 to 4 per cent.

Sentiment was affected by the pessimistic survey by the National Statistics Institute on the Construction Industry.

Banks, Foods, Motors, Engineerings and Electricals all fell. Oils also were lower.

Chemicals were mixed. Rhone-Poulenc eased Frs.0.3 to Frs.69.7, despite a Frs.6bn. contract with the USSR.

The Foreign sector was mixed, with a sharp downturn in Americans, followed to a lesser degree by Dutch, Oil and Canadian shares. Germans gained ground, while Coppers and Golds were mixed.

BRUSSELS—Steels and Metals improved moderately in a mixed Belgian list.

Electrics were little changed, Chemicals irregular. Holdings gained slightly, while Oils declined.

Dutch, French and West German issues were lower. South African Gold Mines were virtually unchanged.

AMSTERDAM—Generally lower, due to the decline of the dollar on Foreign Exchanges and uncertainty over OPEC's likely action on oil prices.

Among Dutch Internationals, AKZO rose Fls.1 to Fls.26.8 on its third quarter figures.

Banks were mixed, while Insurance, Transport, Trading and Industrial stocks fell.

State Loans were slightly off.

GERMANY—Mixed, with gains predominating.

Attention centred on Stores following the Berlin Cartel Office approving Karstadt's, up DM2 at 338, takeover of Neckermann, up DM4.5 at 69.5.

Otherwise interest focused on Banks, which gained up to DM3.40 and major Chemicals which put on up to DM1.60.

Electricals and Motors eased, while Steels and Utilities were little changed.

Public Loans gained up to DM0.75, with the Regulating Authorities selling DM20m. nominal of stock. Foreign Mark Loans were firmer.

SWITZERLAND — Markets turned slightly downwards, with Swiss issues generally lower.

Banks and Insurances were narrowly mixed, while other sectors were mainly down.

Dollar stocks eased in moderate trading, as did Dutch Internationals, but Germans improved slightly.

VIENNA—Easier in light trading.

MILAN—Prices continued to rally, gaining an average 2.5 per cent. on active demand.

Insurances, Financials and Banks all advanced.

Bonds were quietly steady.

COPENHAGEN — Generally lower, but most Banks were little changed.

OSLO—Industrials and Insurances were quiet. Banks slightly easier, while Shippings were barely steady.

JOHANNESBURG—Gold shares continued to make small gains in light trading.

Financial Minings were quiet. Coppers easier, while Platinums were virtually unchanged.

Collieries firm, whil Industrials were narrowly mixed.

HONG KONG—Easier on continued lack of interest.

But Swire Pacific firmed 10 cents to $HK9.20 against the general trend.

Jardine Matheson lost 20 cents to $HK15.90, Hong Kong Bank 10 cents to 18.00, Hong Kong Land 5 cents to 6.55, Hutchison 5 cents to 3.00, and Wheelock Marden 2½ cents to 2.65.

TOKYO—Market recovered in moderate trading with sentiment aided by the U.S. Discount Rate cut. Volume 160m. shares.

Foodstuffs, Pharmaceuticals and Steel Mills were higher.

Constructions advanced on hopes that they will benefit from stepped-up Public Works spending featured in the reflationary package.

But some Light Electricals dropped after a firm opening. Chemicals and Textiles were weak.

Toho gained Y260 to 4,100. Kokusai Denshin Denwa, Y170 to 3,010, Nippon Television Network Y80 to 4,020, Toyoda Automatic Loom Works, Y70 to 1,110.

AUSTRALIA — Markets fell slightly to a new low for the year, with sentiment affected by the national wage rise award.

Among Minings, Pancontinental lost 10 cents to $A8.30, but Utah rose 20 cents to $A4 and Queensland Mines 5 cents to $A1.75.

Among Industrials, ASL shed 3 cents to 32 cents and BHP lost 12 cents to $A6.42. Aust Guarantee dipped 10 cents to $A1.42, but TNT put on 5 cents to $A1.75.

Indices

NEW YORK —DOW JONES

STANDARDS AND POORS

N.Y.S.E. ALL COMMON

MONTREAL

TORONTO

JOHANNESBURG

OVERSEAS SHARE INFORMATION

NEW YORK

CANADA

GERMANY

PARIS

AMSTERDAM

MILAN

BRUSSELS/LUXEMBOURG

SWITZERLAND

COPENHAGEN

VIENNA

AUSTRALIA

TOKYO

STOCKHOLM

OSLO

£ and $ weaker

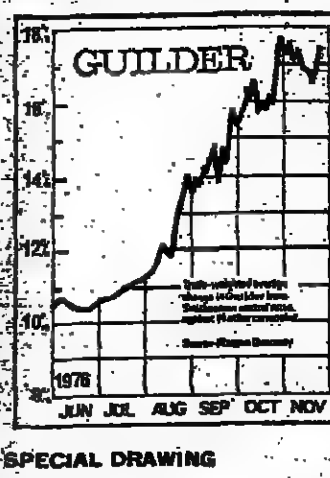
Sterling and the U.S. dollar lost ground in the foreign exchange market yesterday. Demand for the West German mark and Swiss franc was reflected in the dollar's weakness, while the pound tended to be caught up in the general change in sentiment. Easier monetary policy by the U.S. Federal Reserve Board and a reduction in U.S. banks' prime lending rates led to the dollar's decline. Gains by European currencies against the dollar affected sterling, but the pound also lost ground on fears of a reaction to expected public spending cuts and confirmation that money supply growth is above official targets.

The pound opened at $1.6825-1.6840 and fell to $1.6700 around lunch time. Selling from New York contributed to sterling's weakness and by mid-afternoon it touched a worst point of $1.6425-1.6440. After improving to $1.6525 it closed at $1.6450-1.6470, a fall of 3.40 cents on the day.

Sterling's trade-weighted average depreciation since the Washington Currency Agreement of December, 1971, as calculated by the Bank of England, widened to 45.7 per cent. from 44.1 per cent.

The Canadian dollar was slightly weaker in terms of the U.S. unit, but European currencies were generally much firmer. The dollar's trade-weighted average depreciation since the Washington Agreement, as calculated by Morgan Guaranty of New York, narrowed to 2.05 per cent. from 2.10 per cent.

Gold rose $3½ to $133½-134½. The Krugerrand's premium over its gold content widened to 2.42 per cent. from 2.30 per cent. in the domestic market, and to 3.17 per cent. from 3.06 per cent. for international delivery.



SPECIAL DRAWING RIGHTS RATES

One SDR is equal to	Nov. 22	Nov. 19
Sterling	0.692889	0.686851
U.S. dollar	1.15664	[illegible]
Belgian franc	42.5557	42.8021
Deutschemark	2.78114	2.89253
French franc	5.77048	5.78567
Italian lira	1000.61	999.427
Japanese yen	341.903	341.112
Dutch guilder	2.89854	2.91911
Swedish krone	4.84806	4.87558
Swiss franc	2.81572	2.82429

Values are for currencies against the SDR as calculated by the International Monetary Fund in Washington.

EXCHANGE CROSS-RATES

EURO-CURRENCY INTEREST RATES*

GOLD MARKET

FOREIGN EXCHANGES

OTHER MARKETS

FORWARD RATES

BRAZIL

JOHANNESBURG

SPAIN

FARMING AND RAW MATERIALS

Cold store ban causing concern

By Peter Bullen

THE COLD store ban by freezer workers in New Zealand which started on November 10 is continuing and causing concern about supplies of New Zealand lamb to Britain.

Supplies for the immediate future are not in jeopardy, but if the dispute continues much longer the post-Christmas market could be hit by a drop in imports.

The New Zealand Meat Board said it was impossible to comment on the effects of the dispute on supplies as this depended on the length of the shut down but it would not affect the total supplies of New Zealand lamb sent to Britain this season. These would be 209,000 tonnes by the end of September 1977, only fractionally less than the 210,000 tonnes sent in the 1975-76 year.

What the Board did not say was that any disruption of supplies could alter the pattern of marketing, giving rise to a shortage of New Zealand lamb early next year and causing some overlap later, when home-killed supplies are being marketed.

Meanwhile from Christchurch, New Zealand, Reuter reported that the freezing industry dispute over a $NZ1.50 a day travelling allowance remained deadlocked with exports at a standstill and more than 15,000 men idle.

Industry team seeks Iceland fishing deal

By Our Own Correspondent

HULL, Nov. 22.

A TWELVE-strong delegation from Humberside and Lancashire County Councils and representatives of Hull, Grimsby, and Fleetwood fishing industries is flying to Brussels to-morrow to stress to Mr. Finn Gundelach, the EEC Commissioner, the urgency of a new fishing agreement with Iceland if massive unemployment is to be avoided.

The present Anglo-Icelandic fishing agreement expires in eight days' time. Mr. Gundelach is trying to negotiate a new agreement for all the Common Market countries.

Vessel owners have warned that 60 Humberside trawlers could be laid up if there was no new agreement and 1,800 fishermen, as well as thousands of ancillary industry shore workers, could lose their jobs.

Mr. Gundelach has another meeting with the Icelanders on Thursday.

Brazil move brings new coffee price surge

BY RICHARD MOONEY

COFFEE PRICES climbed to new peaks on the London terminal market yesterday in response to the announcement of higher export taxes and minimum export prices for Brazilian coffee. The January futures position rose to £2,384 a tonne at one stage before closing £81 up on the day at £2,357.5 a tonne.

The Brazilian increases had been anticipated by the market but the $9.70 a bag (60 kilos) rise in the export tax (contribution quota) and 20 cents a bag rise in the minimum export price were both sharper than expected. The Brazilian Coffee Institute (IVC) also announced that a $5 a-bag non-returnable advance on the export tax would be required on export registrations, presumably to discourage exporters from taking out speculative registrations.

The most direct influence on world coffee prices is from the rise in the export tax, which now stands at $50 a bag.

This move puts up exporters' costs and its effects will have to be passed on to buyers virtually intact. The higher minimum export price simply consolidates the rise by underpinning the market.

A further substantial rise in Brazil's coffee export tax (following a $5 a bag rise last month) had been generally expected in the market and frequently hinted at by Brazilian officials. As a result, one London dealer noted yesterday, this latest move has been discounted several times over. But with a basically bullish market tone prevailing dealers had no hesitation in marking prices up to reflect the rise.

Yesterday's surge was also aided by the renewed weakness of sterling.

In Managua meanwhile the Nicaraguan Coffee Institute said exporters have sold 400,000 bags of coffee at an average price of $139 a bag. It said the sales represent about one-third of the estimated 1976/77 crop and that an average price of $160 is expected for the remainder.

Cocoa futures prices traded in a wide range before ending the day sharply lower on balance. The March position rose to £2,008 a tonne in the morning as the market followed through on Friday's stronger tone. But sentiment turned round abruptly and the March price sank to £1,890 a tonne at one stage. At the close March cocoa was quoted £63 down on the day at £1,906 a tonne.

Dealers could point to no clear reason for the new change in sentiment. They said fundamentals were basically unchanged and last week's Ghana main crop purchase figures, though slightly above expectations at 22,417 tons, did nothing to allay fears about the prospect for the total Ghana crop.

The early rise was based on mixed buying partly influenced by the latest Bahia (Brazil) Cocoa Review, which highlighted late deliveries from farmers to exporters. It also noted heavy rain in the cocoa zone.

EEC dairy surplus talks fail

BY ROBIN REEVES

BRUSSELS, Nov. 22.

AGRICULTURAL Ministers of the Nine tonight gave up efforts to reach immediate agreement on measures to eliminate the Common Market's costly and politically embarrassing dairy surpluses.

Before the meeting was the Brussels Commission's controversial package of proposals which aim to end the EEC's present chronic milk market imbalance in the next four years by cutting milk production 5 per cent — about 1.2m. of the EEC herd of 25m. cows would be encouraged out of production — and increasing consumption 5 per cent.

But after several hours of intensive discussion, ministers concluded that the differences between them were still too great to bridge by the time-honoured device of an all-night horse trading session.

They will return to the fray at their December meeting allowing the European Parliament, in the meantime, to voice its opinion.

The Commission calculates the structural over-production of milk at some 10 per cent a year is producing the present skimmed milk powder mountain of 1.3m. tonnes and surplus butter stocks totalling 350,000 tonnes.

As the negotiations got under way, Mr. John Silkin, the U.K. Minister of Agriculture, expressed optimism that there would be a successful outcome this time, rather than at the December Council as most observers were predicting.

Mr. Alphonse Van Der Stee, chairman of the council, who recently toured the Nine capitals to try to establish the basis for a compromise, reminded ministers that the sooner they agreed a package to end the EEC mile lake, the better for all of them.

Surprisingly perhaps, the proposed 2½ per cent. levy on milk producers, which for British farmers works out at 1p a gallon, seems by itself to be among the less difficult items in the package. But in discussions so far Belgium, Luxembourg, and to a lesser extent Italy, have strongly indicated that their acceptance of the producer levy is subject to a corresponding levy on margarine.

The margarine tax, on the other hand, is still being vociferously opposed by the U.K., West Germany, Denmark and Holland. Mr. Silkin gave no indication that this opposition would weaken in the interests of overall agreement.

On the premiums for non marketing milk and encouraging a switch to beef production, Mr. Silkin was clearly determined to direct his efforts to limiting the scheme to as small herds as possible and to make the financial incentives less generous.

The British view is that while everything must be done to curb EEC milk output, encouraging herds as big as 37 cows to stop production as the Commission proposes, is too drastic. The average herd size in the Common Market is still below ten cows. Mr. Silkin would evidently like the scheme limited to herds of 12 cows and less.

Signor Giovanni Marcora, the Italian Farm Minister, concerned at the high level of his country's dairy imports, recently said he would not have the non-marketing premium in Italy at any price.

Ireland too has very strong reservations, not least because, as the proposal stands half the cost of premiums would have to be paid by national exchequers.

Another difficult item promises to be the proposed ban on investment aids. There is a widespread feeling that this would militate against the growth of efficiency in the European dairy industry, though ministers ruefully admit there is a certain logic behind an investment incentive ban.

Currency fears lift metal prices

By John Edwards, Commodities Editor

THE DECLINE in sterling, and strength in gold, boosted copper prices on the London Metal Exchange yesterday. Cash wirebars gained £10.5 to £788 a tonne.

There was a general reluctance to deal in view of the sudden, unpredictable, changes in exchange rates which confuse fundamental supply-demand influences.

Another rise in warehouse stocks, up by 2,075 tonnes to a record 588,725 tonnes, had little impact in these circumstances, especially since the increase was in line with market forecasts and had already been discounted.

A fall in tin stocks by 90 tonnes to 6,470 tonnes, was offset by the drop in the Penang market at the week-end. Prices rose initially following the decline in sterling, but profit-taking sales in late trading brought prices marginally lower at the close.

LME silver holdings rose 10,000 ounces to 29,110,000 ounces. Prices were sharply higher as a result of the rise in gold and the falls in the value of sterling and the dollar. The bullion spot quotation was raised 4.9p to 262.6p an ounce at the morning fixing, and in the afternoon moved further ahead to close at 266.5p.

U.K. grain import rise forecast

By Our Commodities Editor

U.K. GRAIN imports are expected to rise 8 per cent. to 9,125,000 tonnes in the 1976-77 season, mainly as a result of the drought, according to the latest estimates by the Home-Grown Cereals Authority.

The U.K. grain crop is forecast to fall to a lowly 13,450,000 tonnes — 3 per cent. down on the previous year's disappointing crop — with a decline in yields offsetting the increased acreage planted.

At the same time the drought has raised demand for feedingstuffs to make up for the shortage of grass during the summer months.

Maize imports are expected to reach a record 4,280,000 tonnes — about 1m. tonnes more than in 1975-76. Wheat imports are forecast to fall 6 per cent. to 3,750,000 tonnes from last season's high level.

U.K. grain exports are also projected to fall sharply from the abnormally high figure reached in 1975-76.

U.S. MEAT MARKET

Cattlemen face bleak winter

BY ARTHUR JONES

KANSAS CITY, Nov. 22.

FROM THE Texas Panhandle to the Omaha, Nebraska headquarters of the National Livestock Feeders Association, the U.S. cattle industry is facing a bleak winter.

The U.S. cattleman, who only five years ago was gearing up production to provide ever-increasing quantities of red meat to a protein-conscious, protein-short world, is now barely staving off bankruptcy in the face of continuing market prices below production costs. Cattlemen have lost money in 22 of the last 32 months. They have been losing from $40 to $140 a head of cattle.

As if to confirm this dramatic picture, the Black Angus quality yearling bull sale during the annual American Royal Livestock, Horse Show and Rodeo here in Kansas City this week cast gloom over local breeders.

Dismay

Highly rated yearling bulls were led into the auction ring. The bidding opened at $600 and stayed there. Only eight of 31 bulls were sold, much to the dismay of one auctioneer's assistant who, as yet one more bull went for $600, called out in frustration: "You just stole a bull."

The rapid decline of the U.S. beef industry, with its drastic consequences for thousands of investors as well as ranchers, has taken less than three years.

In the early 1970s it was said there would never be sufficient red meat for a hungry world. That supply never could exceed demand was the conventional wisdom. Statistics supported such hopes — increasing per capita meat consumption has provided a yardstick for measuring developing nations' progress. And world meat consumption was climbing throughout the late 1960s.

That demand died almost overnight, slaughtered by the 1973 oil crisis and the subsequent increase in crude oil costs.

Big customers for U.S. beef, Japan and the EEC countries strongest among them were faced with a choice between imported beef and more expensive imported oil. They had to have the oil. The story was repeated on a lesser scale throughout the developing world and for beef producers such as Australia, not just the U.S.

Beef, which had been a U.S. growth industry in 1973 started its rapid decline. Industry sources pointed to annual losses in the region of $2bn.; bankruptcies became the plague of the industry. To-day many ranchers are mortgaged to the hilt hoping to hang on until the market turns.

That totally disrupted 1973 market produced an erratic pattern which has continued even into this year. Cattle were kept in feed lots far longer than usual then, out of necessity, were sent to a market where the accumulated tonnage simply could not be absorbed at prices which gave a profit.

Ranchers culled herds, closed lots, and turned to raising feed grain—but even so the demand shrank faster than supply could be reduced.

There have been short-lived price rallies. The spring of 1974 saw such a rally, as did late 1975. Mr. William Jones, of the National Livestock Feeders Association, said there have been three good weeks" in 1976. Mr. Jones does not expect prices firming up to the ranchers' advantages until early 1977.

The glimmer of hope for the cattleman is that next year the beef market will start to reorganise itself so that supply and demand interact to produce, by 1978, an orderly industry with profits margins.

That hope is not being realised at the moment. This week, the Chicago Livestock and Meat Board estimated prices were still against the cattle raiser. Break-even point for cattle raising is about $45 a cwt and beef was selling for $35-$37 a cwt.

Even with beef supplies in decline, other factors are conspiring against a strong beef market. U.S. pork is especially plentiful and there are large supplies of poultry available

Changes

Beef producers may be faced with major changes in their most important market, the home market. The steak, at one time regarded as a treat, was not an exceptional meal in the 1960s. To-day, however, this is a hamburger society. That fact is reflected in the low prices of the better cuts of meat, those which usually carried the best profit margins. This year prime tenderloin has been selling as low as $2.19 a pound, compared with $4 or more 36 months ago.

Americans simply have not the disposal income they once had. Here, too, beef is competing in an inflation-prone, oil-expensive world.

That leaves the U.S. beef farmer, like all U.S. farmers, looking back in longing to the halcyon days of the early 1950s. A quarter-century ago the U.S. farmer received 50 cents from each dollar the consumer spent on food in the supermarket. To-day the U.S. farmer is getting only 40 cents of that dollar.

To the U.S. cattleman, however losing money with every steer he sells, even 40 cents would look good.

Tungsten talks end in disarray

BY DAVID EGLI

GENEVA, Nov. 22.

THE TUNGSTEN Committee concluded its week-long session in disarray here. Producer and consumer countries failed to agree on any key issues.

The scheduled consideration of major alternative approaches to a tungsten stabilisation arrangement was effectively blocked by the emergence of different proposals concerning future action, and particularly on the terms of reference of an export group which was to have been set up.

There was a clash between producers and consumers over whether to convene a negotiating conference.

The Unctad Secretariat said under these circumstances, the committee's report would be considered by the UN Trade and Development Board at its special session next April.

The tungsten producing countries have asked Mr. Gamani Corea, the secretary-general of Unctad, to bring to the Board's attention their proposal for the calling of an intergovernmental group of experts which, among other things, would be expected to prepare a draft of a formal tungsten stabilisation agreement to be circulated to member states by the end of June next year.

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

[illegible]

COPPER—Higher on the London Metal Exchange, responding to the renewed weakness of the pound, although erratic movements on the foreign exchanges inhibited trading. Short covering lifted forward metal from £815 to £822 pre-market but selling emerged when the price topped £820. The movements of sterling caused the price to advance to £820 at one stage in the afternoon but it traded in the rings between [illegible] and [illegible]. Comex was weaker. The closing price on the Kerb was [illegible]. Turnover: [illegible] tonnes.

Amalgamated Metal Trading reported that in the morning cash wirebars traded at [illegible] [illegible]

TIN—[illegible] and long liquidation balanced out by buying on sterling considerations. The Eastern market was down over the weekend but forward metal in London moved up from £5,080 to £5,110 before hedge selling pushed the price back. In the afternoon a further advance was followed by a retreat, before a closing price of £5,080 was reached on the Kerb after a generally quiet day's trading. Turnover 1,525 tonnes.

[illegible]

LEAD—[illegible]

ZINC—[illegible]

I.G. Index 01-351 3466
March Cocoa 1,901½-1,908½

SILVER

[illegible]

COCOA

[illegible]

COFFEE

Dealers said the Brazilian Coffee Institute's sharp increase in its minimum price, coupled with New York's firm close and left-over buyer's pool contributed to a sharp rise.

[illegible]

RUBBER

[illegible]

SOYABEAN MEAL

[illegible]

SUGAR

[illegible]

GRAINS

[illegible]

WOOL FUTURES

[illegible]

JUTE

[illegible]

MEAT/VEGETABLES

[illegible]

PRICE CHANGES

Prices per ton unless otherwise stated

[illegible]

FINANCIAL TIMES

[illegible]

REUTER'S

[illegible]

DOW JONES

[illegible]

MOODY'S

[illegible]

U.S. Markets

Copper at lows; Coffee up

NEW YORK, Nov. 22.

THE COPPER market closed on lows on pressure from local traders. Silver closed higher on local short-covering and Commission House buying. Grains closed higher on commercial support. Coffee closed limit up across the board on trade buying and sugar closed higher on trade support. Bache comments.

Cocoa—Ghana spot [illegible]. Bahia spot 133½ nom. (136 nom.). Dec. 141.70 (148.25), March 136.80 (141.10), May 132.40, July 127.90, Sept. 122.45, Dec. 109.50, March 104.10. Sales 999 lots.

Coffee—"C" Contract Dec. 187.75 ([illegible]), March 184.99 bid ([illegible]), May 184.12 bid, July 183.99 bid, Sept. 184.00 bid, Dec. 183.06 bid, March nil. Sales 139 lots.

Copper—Nov. [illegible] (59.50), Dec. 59.90 ([illegible]), Jan. 59.40, March 60.40, May 61.40, July 62.40, Sept. 63.20, Dec. 64.30. Sales: [illegible] lots.

Cotton—No. 2: Dec. [illegible], March [illegible], May [illegible], July 79.70, Oct. 72.10-72.17, Dec. 66.90, March 67.00-67.25, May 67.00-68.00. Sales: 3,530.

Gold—Nov. 134.70 (130.40), Dec. 135.10 (130.80), Jan. 135.30, Feb. 136.10, April 137.10, June 138.30, Aug. 139.50, Oct. 140.70, Dec. 142.00, Feb. 143.30. Sales: 5,416 lots.

Greasewool—Spot 190.0 nom. (same). Dec. [illegible] ([illegible]), March 166.0 bid, May unquoted.

Lard—Chicago loose 19.00 (19.50). New York prime steam 21.00 nom. (same traded).

Maize—Dec. [illegible] ([illegible]), March [illegible] ([illegible]), May [illegible], July [illegible], Sept. [illegible], Dec. [illegible].

Silver—Spot 453.50 (450.00), Nov. 440.50 ([illegible]), Dec. 441.20 ([illegible]), Jan. 443.20, March 447.30, May 451.50, July 456.00, Sept. 460.60, Dec. 468.20, Jan. 470.70, March 475.90. Sales: 16,500 lots.

Soyabeans—Jan. 690-691 ([illegible]), March 692-694 ([illegible]), May [illegible], July [illegible], Aug. 661, Sept. 625, Nov. 605-606.

Soyabean Meal—196.50-196.00 (191.40), Jan. 196.50-196.20 (193.40), March 199.00-198.50, May 195.00-195.50, July 191.00-190.50, Aug. 157.50, Sept. 151.50, Oct. 169.50, Oct. 169.50, Dec. 169.00.

Soyabean Oil—Dec. 21.95-22.05 (22.05), Jan. 22.10-22.15 (22.22), March 22.30-22.25, May 22.25, July 22.25, Aug. 21.75, Sept. [illegible], Oct. 20.50-20.60, Dec. 20.50.

Sugar—No. 11: Spot 5.30 (5.20). Jan. [illegible]

[illegible]

David Fishlock looks at the ways of a 'new technology-based firm'

Innovation in practice

AN AMERICAN businessman in Britain recently was deeply perturbed to hear one of our top trade union leaders advancing the proposition that, because of the growing complexity of the U.K. economy, there was simply no place for the entrepreneur in exploiting innovation. As the American understood him, Mr. David Basnett, general secretary of the General and Municipal Workers, was arguing that Britain should concentrate on achieving industrial democracy, and leave innovation to the big corporations and State-owned industries.

The American, Mr. David Packard from Palo Alto, California, has good cause for worry. An entrepreneur himself, now close to retiring, he probably speaks from wider experience of the successful conversion of engineering science into premium products than almost any man living. That experience includes three years on secondment to the Pentagon in 1969-71, where he ran a $7bn. research and development programme and "learned a lot of things about how not to run a company"; and—still more to the point — the launching in Scotland of a successful sibling of his own company.

The Scottish offshoot of Hewlett-Packard, the U.S. electronic instruments group which exceeded $1bn. in turnover last year, is at the top of all 27 of the group's divisions, Mr. Packard, its chairman, told a conference of the Scottish Council at Aviemore last week. "Their growth in business and their level of production have been absolutely outstanding." It was, he maintained, an "excellent illustration that individual enterprise can be a tremendous motivating force for human endeavour."

U.K. output

In Britain, Hewlett-Packard has expanded steadily from sales of £300,000 in its first year to over £26m. last year. Altogether it employs over 1,100 people and—in common with all but one of the group's divisions—has its own independent research and development effort. According to David Packard, it has been responsible for developing new products selling worldwide so successfully that over four-fifths of the U.K. output is now exported.

Hewlett-Packard is in many respects a progenitor of the "new technology based firm" or NTBF, an industrial concept whose frustrations in the U.K. and West Germany were examined by Geoffrey Owen in the Financial Times recently. It is certainly one of the most consistently successful. William Hewlett and David Packard met as electronic engineering students at the University of Stanford in California in the early 1930s. In their final year, at a time when job prospects were distinctly depressing, they began to talk about a joint entrepreneurial venture. It was a hobby-horse of their professor, who pointed out to his students how few companies were being started by men who knew anything about electronics.

Joint venture

In the event, Packard was recruited by U.S. General Electric, and Hewlett by the Massachusetts Institute of Technology. But their professor would not give up and by 1938 had lured both back to Stanford in the hope of persuading them to launch a joint venture. This time he succeeded. The venture began in Hewlett's garage in Palo Alto, with a single product—an audio oscillator Hewlett had invented at Stanford—"and no grand design." They flipped a coin to decide whose name should come first.

To-day the company makes about 3,400 different instruments, from "noses" that can detect traces of toxic chemicals or narcotics to "ears" that listen to the heartbeat of an unborn baby. Packard pays generous tribute to the help and encouragement the venture received from his university.

This close affinity of interests between university departments and the innovative areas of industry must to-day be responsible for the employment of hundreds of thousands of people in California alone, estimates Packard. But he finds it a rarity in Britain, as he does any reciprocal interest of industry in supporting projects in university departments. Missing too, he suggests, is the multiplicity of sources of venture capital available to help small U.S. companies to get started with cash and—sometimes—with good advice.

Yet Packard can still assert confidently that there are no fundamental hurdles to the success of the NTBF in Britain—that "it's largely a matter of attitude."

Hewlett-Packard launched its U.K. sibling—its second in Europe, after West Germany—in 1961. Within four years it had a turnover of £2.5m., a payroll of 169 and its own research programme. Within eight it had won a Queen's Award for innovation. The parent company had fulfilled the three roles of university, finance house and adviser. The sibling operates as a highly autonomous company, and is now self-financing, with an engineering team at South Queensferry near Edinburgh specialising in test instruments for the communication industry. South Queensferry is Hewlett-Packard's design and manufacturing centre for communication test instruments for the world market.

By U.S. standards, however, the sibling was slow to develop, says Packard. It was a question of drawing a good team together, priming it with advanced manufacturing technology, and building in a world marketing capability, he adds. But all this took five or six years "and a lot of coaching" before it showed any real innovative progress.

To-day Packard sees its British NTBF as one of Hewlett-Packard's best investments. Low labour costs help a little, he admits, but are in no way decisive for a company so firmly wedded to the idea of premium products. "Most of Hewlett-Packard's high-technology products have a lot of price elasticity—10-20 per cent. doesn't make much difference in setting the price if it's got an edge." The company has made a few forays into the lower-priced instrument market, only to confirm its belief that the premium end is the one that suits it best. It has confirmed a belief it has held since its inception, that people are willing to pay more for a better product.

And Packard leaves no doubt that it is better products—innovation at its best—that the company wants from Britain. Hewlett-Packard is currently spending about 10 per cent. of its turnover on research and development, a proportion he cheerfully confesses is high for the instruments industry. It rates research—right through to product engineering — highly enough to have it directly under the control of Bill Hewlett, a president.

Its British NTBF maintain its share of that effort. Of 70 employed at South Queensferry 80 are engaged on produc development. The operation in cludes a micro-electronic laboratory designing and manu facturing "hybrid" circuits fo its own instrument concepts This technology is the key t what Americans call the "smart or thinking instrument, the in strument with a built-in micro process or to provide computin logic.

South Queensferry has place a design project with the Uni versity of Edinburgh, which i carving itself a niche in a new solid-state electronics techno logy called the surface acousti wave (SAW) device. Its man aging director, Mr. Dennis Taylor, is a board member o the university's Wolfson Micro electronics Liaison Unit, part o a national exercise sponsored b Lord Zuckerman and the Wol son Foundation to direct mor university engineering scienc towards U.K. industrial need and problems. In Professo William Farvis, Edinburgh eve has its own don dedicated t the principle of close universit industry relations and NTBFs

Uncommon men

What, then, of the industrial democracy by which Mr. Basnett and indeed the Labour Government have set such stor —apparently at the expense o the entrepreneur? "We do no really want nations of commo men," Packard told the Avie more conference, "we wan nations of men with enterprise We can only improve the lot o the common man by doin everything that can be done t make them uncommon men."

The company is not against unions, insists David Packard. When its employees believe that unions have more to offer them than their management then will be the time to wel come unions. But he has been spending much of his time in the last year or two travelling to every part of the company, re-emphasising the principles on which Hewlett-Packard was founded, to try to ensure that neither before his retirement nor during the reign of his suc cessor is the company's brand of industrial democracy likely to be displaced.

FINANCIAL TIMES REPORT

Tuesday November 23 1976

Trading with Yugoslavia

After two hard years Yugoslavia has begun its 1976/80 Five Year Plan on an optimistic note, based on an improvement in some aspects of its economy. Among them are a substantial reduction in inflation so far this year, and improving industrial production.

Planning for future growth

By David Lascelles, East Europe Correspondent

EW ECONOMIES in Europe e harder to pin down than the ugoslav. Perhaps this has mething to do with its ique management system nich is little understood road. But the fact is that igoslav key indicators have a bit of swinging sharply from e extreme to the other; the cture is always changing, and edictions are difficult.

Nothing illustrates this better an recent trends in the untry's foreign trade. Exports the first nine months went up per cent. and imports tually shrank by 9 per cent. mpared with the correspondg period in 1975. Anyone who d forecast such developments the beginning of the year ould have been laughed out of urt.

This turn round was admitdly due in part to the aconian measures which the overnment adopted a year ago improve the country's balance trade. But these measures annot have been responsible [illegible] ports, and this underlines the eed to keep an open mind out Yugoslavia's prospects.

The Yugoslavs themselves are proaching the end of 1976 in mood of cautious optimism. ey have behind them two of toughest years from the onomic point of view that they ve ever had to cope with. dustrial production at one int dropped down virtually to from annual percentage owth well into two figures, in lon soared to the highest els in Europe, and the trade yawned alarmingly.

There were extra problems h uncovered investment, and essive credit which upset the ernal monetary balance. om the social point of view, re was cause for concern in the growth in unemployment and stagnation in wages.

But judging by the recent report to the Federal Assembly by Dr. Berislav Sefer, the vice-president of the Federal Executive Council responsible for the economy, the Government feels it now has the situation under better control.

The growth in wages and investment is more in line with the economy's ability to pay, industrial production is picking up, albeit slowly, and inflation in the first nine months was 4.3 per cent. compared with 15.5 per cent. last year.

But though Dr. Sefer felt able to describe the economic situation as "more settled" than a year ago, he said the tasks ahead were still "complicated and challenging." And the strategy he outlined for 1977 indicates that the Government intends to keep a tight rein on the economy—which in turn implies a continuing strictness in the foreign trade regime.

One of the most important tasks, he said, was to keep a check on public and business spending, which rose 22 per cent. in the first nine month. He declared: "Personal incomes, revenues and taxes on general and common expenditure can only be increased if, on the basis of business results, it is found that funds are available for this purpose. This should ensure that—as in the case of investments in basic assets—only money that has been earned can be spent."

Production

On the other hand the Government wants to improve the country's productive base and it clearly faces a dilemma over how far investment and import curbs should be relaxed to achieve this.

There is admittedly considerable spare capacity in Yugoslav industry just now, and company stocks are reported to be large, which suggests that an increase in production could be achieved without importing extra resources. But the Government is also concerned about the qualitative aspects of industrial output because of the need to raise sales on the lucrative but discerning hard currency markets.

Any lasting upsurge in industry's performance must, therefore, put a strain on the balance of payments because of the demand for up to date equipment and technology. Industrial production for the whole of 1976 is now expected to grow by only 3-4 per cent., which should keep demand for imports down. But longer term plans demand a growth rate of at least twice this level, if only to sustain a high rate of exports of manufactured goods.

Dr. Sefer also expressed concern at the fact that employment has been rising faster than production. Although this was a good thing from the social point of view, he said, it indicated a declining rate of labour productivity which should be checked. The poor price competitiveness of Yugoslav goods on the international market has been criticised in the past, despite periodic devaluations of the dinar.

Rather dramatically, Dr. Sefer concluded that Yugoslavia will not achieve the targets of the Five-Year Plan, either this year or in 1977, in so far as growth rates and structural changes to the economy are concerned. But, he added, "caution dictates that we plan realistically."

Whether or not this admission throws doubt on Yugoslavia's medium term prospects, such failures are not new in Yugoslavia. Most of the last Five-Year Plan (1971-75) targets remained unfulfilled, largely because of the effects of the world recession.

Complex

But if performance does not match plan, the blame must also lie to some extent with the Yugoslav planning system which is extremely complicated and slow-moving. (The plan's implementation was, in fact, delayed several months pending repeated re-consultation). Unlike the Soviet-type economies where targets are largely centrally dictated, Yugoslavia tries to build its plan from the bottom up by starting with mutual delivery agreements between individual enterprises.

The pyramid thus started rises through local levels, to republican and finally federal level where growth possibilities and weaknesses are identified. The final picture is then used as a basis for state policy, though obviously the Government already has a good idea of what shape the plan will take before the procedure even starts.

The Yugoslavs maintain that this method is more democratic than the Soviet because it allows more participation at the grass roots. Whether or not this is so, the Yugoslav Plan should be viewed more as a general statement of policy than as a strict schedule which spells disaster if it is not kept to.

The main provision of the 1976-80 Plan is that GNP shall rise by some 7 per cent. a year, which is slightly more than the 6.3 per cent. average achieved in the last Plan. Of greater significance, though, are the sector targets.

Industry leads the way with planned annual growth of 8-9 per cent. which is roughly the rate achieved in the last plan, but the accent will be on producer rather than consumer goods. Due to the excessively large processing industry, built up at the expense of primary industries, the main emphasis is to be on the power, raw material and other basic industries like steel.

There will be a parallel emphasis on infrastructure, particularly transport which has long been neglected. Agriculture, also neglected, comes to the fore as well due to its large unexploited potential, and the need to reduce imports of food which Yugoslavia could perfectly well produce itself. Agriculture's 4 per cent. growth target compares with the 3 per cent. achieved annual in the last plan.

The rate of investment growth, 8.5 per cent. a year, will keep up with the rise in industrial output. The planned growth in earnings of 6 per cent. a year is perhaps the most ambitious target, considering that real earnings grew less than 10 per cent. during the whole of the last Five Year Plan.

The plan is clearly a sensible one since it aims to cure two of the basic weaknesses of the Yugoslav economy, the low level of exploitation of the country's resources, and the lopsided structure of industry. Whether these aims will be achieved is a different question. There is nothing essentially new in the identification of these weaknesses, and past efforts to cure them have not been very effective. (The target for investment into primary industry remained conspicuously unfulfilled in the last Plan).

On the other hand no permanent solution to Yugoslavia's chronic trade deficit will be feasible until these weaknesses are corrected. As officials in Belgrade point out, Yugoslavia should be a net exporter of food, raw materials and certain types of energy, and not, as now, an importer. The same officials also admit that Yugoslavia has so far chosen too easy a road to progress by investing in processing industries which offer quick returns without strengthening the foundations of the economy. As one of them put it: "Our economy is like a building with inadequate foundations. This is what we are trying to correct."

BASIC STATISTICS

Area	98,766 sq. miles
Population (1975 est)	21.35m.
GDP (1975)	407.3 bn. dinars
Per capita (1975)	19,077 dinars
Currency: New Y. dinar	£1 = 29.97

TRADE (1975)

Imports	133.75 bn. dinars
Exports	70.87 bn. dinars
Imports from U.K.	£94m.
Exports to U.K.	£24m.

ORGANISATIONS WHICH OFFER INFORMATION AND ADVICE ON TRADE WITH YUGOSLAVIA

Yugoslav Economic Chamber
143/147 Regent Street
London W1 Tel.: 734 2581

Anglo-Yugoslav Trade Council
21 Tothill Street
London SW1 Tel.: 930 6711

Yugoslav Section
London Chamber of Commerce
69 Cannon Street
London EC4 Tel.: 248 4444

PLAN TARGETS
(% annual average growth 1976-80)

Gross production	6.5—7.5
Industry	8—9
—producer goods	8
—consumer goods	[illegible]
Agriculture	4
Investments	8.5
Wages	6

Developing friends

DEVELOPING countries are Yugoslavia's privileged foreign trade partners. And if there is any determined effort to shift patterns of trade, it will be in their direction.

This stems from the fact that Yugoslavia is a non-aligned and developing country itself, and an active member of the Group of 77. Having contributed to the elaboration of the economic policies of this group of countries, it has naturally been striving to implement the resolutions of the Colombo summit of the non-aligned last September, and the Manila meeting of the Group of 77 in February.

It would, however, be wrong to view Yugoslavia's interest in the developing countries as purely political. It is considered that sound economic reasons as well as the country's vital interest dictate fuller economic relations with the developing world. Since it is precisely there that Yugoslavia can find markets for its growing and increasingly sophisticated industrial production. These countries also offer opportunities to buy fuels and raw materials which cannot be produced locally in sufficient quantities (though Yugoslavia does not intend limiting its imports to these).

In the first nine months of 1976, out of total exports of \$3.56bn., the developing countries' share was \$520.24m. or 14.6 per cent. Last year's figure for the same period was \$500.59m. which was 17.1 per cent. of the total. Thus while the value of exports increased by 4 per cent. their share of the total was reduced.

This is explained by the fact that in 1975 the recession in Western countries led to a reduction in Yugoslav exports to them, and consequently it looked as if exports to both developing and socialist countries were gaining in significance. When the trend was reversed this year, that is, exports to the West were restored, percentages regained some of their pre-recession appearance.

Imports from developing countries in the first nine months dropped from \$828.05m. in 1975 (14.4 per cent. of the total) to \$770.66m. This was a 7 per cent. decline but their share increased slightly to 14.6 per cent., as there was a sharp cut in imports from the West. But Yugoslavia still had a deficit in its trading with developing countries of \$250.42m. in the first nine months of 1976 (\$327.5m. in 1975) mainly because of its oil imports (it imports two-thirds of its needs, from the Soviet Union and from Opec countries).

Although the share of developing countries in overall trade has risen considerably in the last few years and will probably be some 15-16 per cent. for the whole of 1976, this is still not considered to be satisfactory. Quite apart from the political will, it is thought realistic to try and increase it by the end of this decade (the end of the medium-plan period) to some 20 per cent. of the total.

Next year the plan "based upon resolutions and recommendations of the fifth non-

(CONTINUED ON NEXT PAGE)

Export efforts begin to show returns

THE YUGOSLAV trade picture has changed radically this year, largely for the better from Yugoslavia's point of view. But the improvement has still not gone far enough, in most people's opinion, to bring about a relaxation in the strict import policy introduced in 1975 when the trade gap reached alarming proportions.

This time last year, Yugoslav exports were worth only 51 per cent. of imports, and the position was even worse in trade with the western world, where the proportion was as low as 30 per cent. It was these alarming figures that forced Belgrade to impose curbs on imports of certain non-essentials and tighten Yugoslav companies' obligation to export before they could import.

The curbs were later relaxed, but not the obligation to export, and the effects are now beginning to show. In value terms, imports are down 9 per cent. and exports up 22 per cent., with the result that exports now cover 68 per cent. of imports and the dinar deficit has been almost halved.

Encouraging

The turnround has been particularly encouraging with the West, where exports rose 44 per cent. to cover over half of imports and cut the deficit in two to some 24bn. dinars ($1.4bn.). Since this region accounts for over half of Yugoslavia's trade turnover, Belgrade feels that this improvement has gone some way towards curing one of the basic weaknesses of the country's foreign trade performance.

It is not altogether satisfactory, of course, for improvements in the trade balance to be achieved largely by cutting back imports—and in volume terms the drop here must be larger than the value figures suggest. Many western exporters have been discouraged by the recent difficulty of winning new orders from Yugoslavia, and it cannot have been to Yugoslavia's advantage to suffer such a sudden and large drop in the inflow of foreign goods. In fact, since the total turnover so far this year has risen only 2 per cent., Yugoslavia's role on foreign markets must have diminished considerably.

This is characteristic of the Yugoslav economic system which lacks the means for constant fine tuning, and instead needs to be regulated by sweeping measures.

But the import curbs are not wholly responsible for recent trends. In the first nine months, for instance, Yugoslav importers used up only two-thirds of their allocations. In other words there has been a noticeable reduction in internal demand, due partly to the high level of stocks built up earlier.

Similarly, the sharp rise in exports cannot be due to import curbs. The precise reasons for this increase are still being analysed, but they are no doubt linked with the growth of demand in the West as well as by Yugoslavia's better organised export effort.

Whatever the reasons, Yugoslavia's balance of payments looks healthier. According to leading Government officials, foreign reserves have risen to $2.8bn., which has removed any need for credits to tide the country over payments problems. The foreign debt is also below total foreign exchange revenue.

Thanks to invisible earnings like tourism and the remittances of Yugoslavs working abroad, the overall balance of payments showed a surplus of $330m. in the first nine months. Even so, the prospects over the next year or so are being viewed with caution.

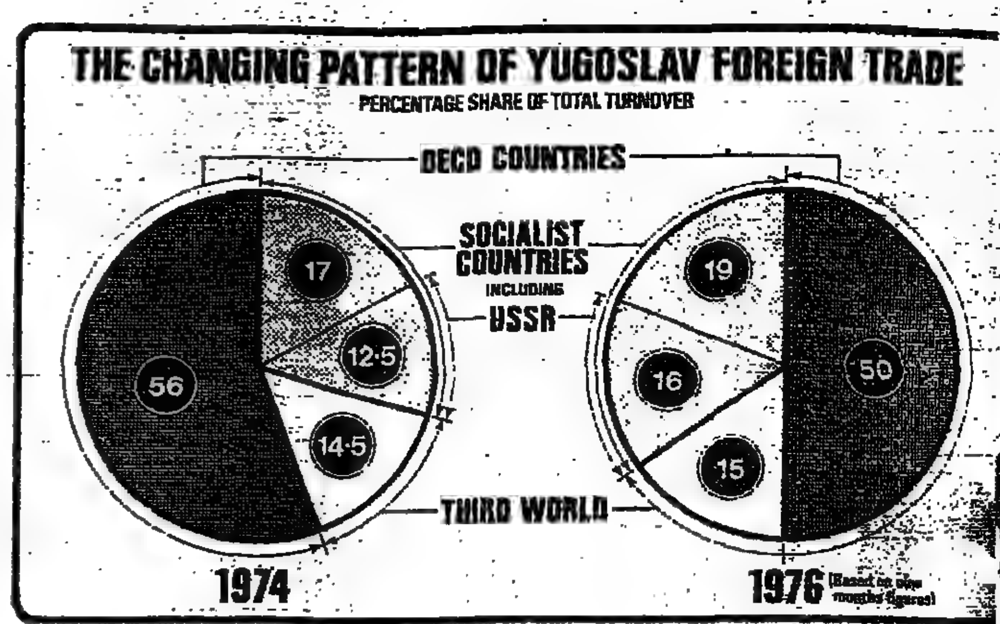
It is still too early, many Yugoslavs believe, to say whether there is a strong underlying improvement, especially since imports have shown stronger trends recently. The situation on world markets is uncertain, and progress towards the structural improvement of the Yugoslav economy is behind schedule. The prospects for invisibles are also hazy. Tourism revenue was slightly disappointing this year, though it still registered an increase. And with continuing high levels of unemployment in West Germany and in the other destinations of migrant Yugoslav workers, remittances are unlikely to sustain a steady rise.

Unlikely

For all these reasons, it seems unlikely that the present import policy will be relaxed in the foreseeable future. The country's exports would have to cover well over 70 per cent. of imports, with upward trends in invisible earnings, before this could be contemplated. Anyway, the long term plan demands that exports rise 2 per cent faster than imports.

Nevertheless, Yugoslav officials point out that the prospects for trade on a co-operation basis are as good as ever, especially if it gives Yugoslavia access to new markets. Other measures are also being contemplated to increase trade. Currently under discussion are two draft laws, one to set up an export financing agency, the other to broaden scope for foreign investment in Yugoslavia, particularly in sectors favoured by the Five Year Plan. New regulations on foreign exchange are also being examined.

Other articles in this Survey examine the regional orientation of Yugoslavia's foreign trade, but the overall picture shows changes which are fairly significant.



As Belgrade has frequently predicted, the refusal of the EEC to heed its requests for a fairer relationship has led to a drop in the share of the West in the Yugoslav market. Whereas capitalist countries accounted for 56 per cent. in 1974, this share had fallen to 52 per cent. by the end of last year, and will probably drop further to around 50 per cent. this year.

This loss was largely made up by other socialist countries, whose share will have risen from 29 to 35 per cent. in 1974-76, the Soviet Union alone now accounting for one-sixth of Yugoslavia's total foreign trade turnover, against only one tenth in the early 1970s. Quite apart from the international implications of this shift, (which the Yugoslavs are careful not to comment on too loudly) such a reorientation is cause for concern in Belgrade, which has always viewed Western Europe as its most natural trade partner, and the source of the best technology and equipment.

The new initiative by the EEC to improve relations with Yugoslavia is therefore of more than just commercial importance. The precise nature of the new relationship that is to be built up between Brussels and Belgrade must await the forthcoming visit to Yugoslavia of top level EEC figures. But it should result in freer access to EEC markets for Yugoslav goods, particularly agricultural products, which should check recent unwelcome trends.

David Lascelles

YUGOSLAV FOREIGN TRADE

First nine months in billion dinars (D17=$1)

	1975	1976	% growth
Total turnover	147.8	150.2	2
Exports	49.7	60.6	22
Imports	98.1	89.6	–9
Balance	–48.4	–29.0	
With Socialist countries	47.4	53.1	12
Exports	23.3	26.1	12
Imports	24.1	27.0	13
Balance	–0.8	–0.9	
With developing countries	22.6	21.9	–3
Exports	8.5	8.8	4
Imports	14.1	13.7	–7
Balance	–5.6	–4.3	
With Western countries	77.8	75.2	–3.5
Exports	17.9	25.7	44
Imports	59.9	49.5	–17.5
Balance	–42.0	–23.8	

Friends

CONTINUED FROM PREVIOUS PAGE

aligned conference in Colombo and other understandings of non-aligned and other developing countries" says it is necessary to "work out a programme further to promote relations with those countries in order to increase their share in total foreign trade exchanges."

Yugoslavia already grants preferential treatment to imports from developing countries, especially the least developed ones. It has concluded several preferential agreements with some of those countries, like the tri-partite agreement with India and Egypt, and is party to the preferential agreement signed within the GATT between some of those members considered to be developing countries.

There is increased interest in establishing various forms of industrial, technical and other co-operation, joint ventures, etc. with developing countries. There are numerous examples of successful operations in Africa, Asia and Latin America. Yugoslavia has joined the Inter-American Development Bank and will probably join other regional development banks. It will be one of the founders of the bank of the developing countries decided on at Colombo.

Following the Colombo summit Yugoslavia is now studying ways of implementing its documents, especially the Programme of Action for Economic Co-operation, which was also accepted by the Group of 77 in Mexico less than a month after Colombo. As Mr. Bilos Minic, vice-premier and foreign secretary, stated in the Federal Parliament concluding his account of the non-aligned summit, "The implementation of the decisions of the Fifth Conference should become the daily practice of our social, economic, political, self-management and state organisations and institutions. It should be our orientation at all levels."

Other trade partners should bear in mind the importance Yugoslavia attaches to its links with the developing countries. They could for instance try to include Yugoslavia in their dealings with those countries, or co-operate with Yugoslav manufacturers, construction groups, scientific institutes and banks. They will find in this country a keen interest and a will to participate in projects in developing countries, to make financial and human contributions.

Furthermore, since Yugoslavia's political relations with most developing countries are good and its prestige high, having Yugoslavs as partners could in many cases be an asset. On purely economic grounds, many Yugoslav firms have the experience and technology needed to work in developing countries, and their participation could be of advantage by itself.

Aleksandar Lebl
Belgrade Correspondent.

Socialist connections

GOSLAVIA'S TRADE with ialist countries has become a nly political topic, from the nt of view of outside obser- s at least. Its ups and downs read like a political baro- er of Yugoslavia's foreign cy. But though there is no bt that this trade has been cted by political considera- s in the past, its links with tics have been largely red, and both sides hope ill stay that way.

lthough this trade includes ings with all types of alist countries, the bulk of s with Comecon countries, what follows refers mainly hem. Yugoslavia has an association agreement with Comecon which it entered into freely and which gives it the right to participate in certain Comecon activities, though it obviously imposes certain obligations as well.

When Yugoslavia's trade with the developed West started declining last year, due mainly to the world recession, the point was frequently made abroad that Yugoslavia had started leaning towards the East. On a purely statistical level, there was some basis for this though it should be noted that one reason for this was the virtual stagnation of Yugoslavia's trade with the West.

But Yugoslavs found it difficult to understand why the West was getting so excited about these trends and hinting that Yugoslavia should weaken its links with Comecon when similar trends were discernible in the West's own trade orientation. The West has, after all, begun to find that trade with Comecon offers certain advantages and can be quite dynamic.

One reason for Yugoslavia's trade with socialist countries is Belgrade's policy of not putting all its eggs in the same basket, and its attempts to diversify its trade orientation naturally means balancing dealings between East and West.

There are economic advantages as well. Trade with Comecon countries is more or less balanced (in sharp contrast to dealings with the West) either on the basis of clearing agreements or payment in convertible currencies. Yugoslavia is also able to procure some goods from Comecon which it might otherwise have to buy from other partners with which it already has a high deficit. Similarly, Comecon offers outlets for Yugoslav goods which cannot be readily sold elsewhere.

Advantage

Another advantage (which can admittedly pose problems too) is that Comecon trade is planned over periods of up to five years. Production in Yugoslavia can be organised accordingly on the basis of suppliers including fuels (oil, gas, coal, coke) and investment goods. Incidentally, the widespread opinion that Yugoslavia is completely dependent on Western technology is not quite true. In addition to its own technical resources it can obtain advanced technology from the Comecon countries, in a limited but important number of fields. And increasingly it is selling its own technology to those countries.

There are many industrial co-operation agreements between Yugoslavia and Comecon enterprises, like those in the automobile industry with Soviet and Polish firms. Yugoslavia is also a member of several Comecon associations and takes part in specialisation agreements. There are also a few joint ventures in Yugoslavia with firms from Comecon countries. Several banking consortia have been formed to promote trade and co-operation.

The prospects for Yugoslav-Comecon trade are good. Five-year trade agreements signed with European members of that grouping envisaged more than a 100 per cent. increase in dealings by 1980, and the target is considered realistic. In some cases, ambitious plans are even thought to fall short of the possibilities, and efforts will be made to exceed them.

But there are problems too. For instance, as trade has to be balanced if not in the short run then over, say, two-year periods, it is sometimes difficult for the country in surplus to find suitable products to import. When Yugoslavia is the creditor an obstacle is the planned production of its partners, which means that, however much money Yugoslavia has at its disposal, the goods may not be available.

Other problems are that Yugoslav firms do not always like the quality, design, price and delivery terms of the goods on offer. Though Comecon buyers level similar complaints about Yugoslav firms.

Different

There are also problems with trade planning, especially of commodities. The Yugoslav economic system being different from Comecon's, in that firms enjoy wide autonomy, it is sometimes difficult to persuade them to sell their products to their Comecon counterparts if they can get better prices elsewhere, or to buy in the East if they feel that the West offers a better bargain. But most of those problems have been successfully solved so far and probably will be in the future.

As production in Comecon countries increases and improves and as they import more from the developed countries it becomes harder for Yugoslav *firms to sell their products of* inferior quality or at higher prices. But in the long run this could be a good thing. It would be wrong if Yugoslav firms relied on "soft" markets and did not develop their production, improve quality and lower their costs. They could wake up one day and find those markets gone.

As a member of the Group of 77, Yugoslavia subscribed to last February's Manila Declaration which was critical of Comecon countries. The Declaration submitted a long list of demands, for instance that the rouble be made transferable, that tariff concessions be made and that the general scheme of preferences be applied. Some circles in Comecon were not pleased by this, but judging by the continuing positive trends in Yugoslav-Comecon relations, it is not likely to have much effect.

Aleksandar Lebl

TRADE BETWEEN YUGOSLAVIA AND SOCIALIST COUNTRIES

Figures for nine months ($bn.)

	1975 Volume	1975 % of total	1976 Volume	1976 % of total	% increase 1975-76
Turnover	2.8	33	3.1	35	11
Exports	1.4	47	1.5	43	7
Imports	1.4	25	1.6	30	14

Worrying deficit with the developed world

THE MAIN PROBLEM of Yugoslav foreign trade as a whole is its imbalance with the developing countries, the EEC in particular. This was especially true last year, when exports to those countries dropped 8 per cent. to $US1.46bn., while imports increased by a modest 3 per cent. to $4.7bn., the resulting deficit increasing 16 per cent. to $3.2bn.

The situation was not bad with all developed countries. Exports to the U.S. were equivalent to 63 per cent. of imports (though usually that percentage is even higher). On the other hand, exports to Japan were equivalent to only 4.76 per cent. of imports, probably the worst performance with any major Yugoslav foreign trade partner.

Exports to the EEC fell 10 per cent. to $930m., while imports increased 5 per cent. to $3.2bn., increasing the gap to $2.2bn. from $1.98bn. This increase was not so drastic, but it was only achieved through special restrictive measures. The liberalisation process which had been taking place also had to be slowed down and in some cases even reversed.

The balance of payments deficit with the EEC is smaller than the visible deficit thanks to a surplus in invisible trade, mainly Yugoslav earnings from tourism, workers' remittances and transport. But in the official view, these earnings are not very stable and do not rule out the need to achieve a better balance in Yugoslavia's visible trade with the developed western countries, particularly Japan and the EEC.

A two-pronged effort is being made. First, to avoid a retreat into autarchy, it has been decided to create a link between the right to export and the right to import. Potential importers, with a few exceptions, have first to earn at least a part of the foreign exchange needed to pay for their imports. Quite how much they must earn varies from one industry to the other, but the overall projection is made by the federal parliament. It has also been decided to make economic organisations, the republics and the provinces, together with the federation, responsible for their own and the national balance of payments. Legislation regulating this will shortly be adopted.

Imbalance

Second, a massive political effort has been made to persuade major foreign trade partners that their present imbalance with Yugoslavia cannot continue, in other words that Yugoslavia's exports should be their concern as well. Yugoslavia wants them to buy more Yugoslav goods, provided, of course, that they are competitive, to lift restrictions, end discriminatory practices, and encourage industrial and other co-operation and joint ventures.

Talks have been held with a number of western countries, especially members of the EEC, and with the Brussels commission. First results have been judged satisfactory. Most governments have promised to do what they can to help increase Yugoslav exports. Some are sending industrialists to investigate purchasing possibilities. Some have also promised to lend their support to negotiations on various co-operation and joint venture agreements.

Obviously, Yugoslavia's main interest is in the EEC. Trade with that grouping makes up some 35 per cent. of the total (40 per cent. of imports and 25 per cent. of exports). And EEC bodies have been asked to give more than just verbal support to Yugoslavia.

EEC members have long expressed their interest in an independent Yugoslavia, but in Belgrade it is felt that they have seldom backed this with their actions. Some of the measures the EEC applied in the past badly hurt Yugoslav exports. It is also felt that the EEC-Yugoslav non-preferential trade agreement did little to help Yugoslavia reduce its deficit or protect itself from the consequences of unilateral EEC action—for instance the ban on beef imports.

What the Yugoslavs have been asking for is a higher degree of co-operation, offering longer-lasting ties, mutual information and consultation before moves affecting the other side are undertaken. It also wants to widen the scope of the trade agreement without changing its non-preferential character, maybe by expanding it into a co-operation agreement. They feel that the Community has been adapting itself to new circumstances, witness agreements signed or under preparation with Canada, Iran and India, all of which argues in favour of putting relations with Yugoslavia on a new base.

Protocol

Belgrade has suggested that if a new agreement would take too much time to negotiate a protocol could take care of the more urgent needs, with a statement of joint objectives, like the increase and better balancing of trade, recognising Yugoslavia as a developing country etc. As for a new agreement, it should take care of co-operation in industry and agriculture, with short and long-term programmes for various sectors, financial co-operation, the transfer of more advanced technology, dissemination of information on the Yugoslav economy, in addition to trade itself.

There are also ideas about co-operation at some later stage, like opening bureaux in Belgrade and Brussels to provide information on each other's economies, priorities and prospects, and to help organisations to gain access to markets.

The news from Brussels that the Council of Ministers has decided to send early next month its chairman Mr. Max van der Stoel and Sir Christopher Soames to Belgrade in order to discuss the possibilities for broadening cooperation and advancing economic relations has been received with satisfaction here. It is not expected that negotiations will be easy or short, however.

But despite the decline in their share of Yugoslav foreign trade the developed countries are the most important Yugoslav partners and will remain so in the foreseeable future. There is no intention of curtailing trade with them. On the contrary, it is hoped to increase it, provided they are willing to buy more in Yugoslavia. Neither would trade be exactly balanced so long as the deficit does not go beyond reasonable limits. The opportunities for partners in the West are therefore good, the more so if they are willing to enter into what are here called *higher forms of economic* cooperation, like industrial and technical co-operation, specialisation, joint ventures, co-operation in third markets and the like.

A.L.

STOCK EXCHANGE REPORT

Equity markets sustain another widespread setback

Share index down 14 points at 293.2—Gilts give ground

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Nov. 1	Nov. 11	Nov. 12	Nov. 23
Nov. 15	Nov. 25	Nov. 26	Dec. 7
Nov. 29	Dec. 9	Dec. 10	Dec. 21

* "New time" dealing may take place from 9.30 a.m. two business days earlier.

Still overshadowed by last week's measures to restrict credit, equity markets sustained *another sharp setback yesterday*. The further jump in last month's money supply figures also served to undermine sentiment, while a marked reaction in sterling in the early afternoon also had an adverse impact. The latter reason had a noticeable effect on Gilt-edged securities which had recovered from lower opening levels, but reacted to close with losses of ½ and sometimes more. The Government securities index fell 0.22 to 58.22.

Small attempted recovery movements in leading equities soon faded and in most cases closing falls, which ranged to 14, were around the day's lowest. The FT 30-share index closed with a loss of 14 points at 293.2, making a fall of 23.8 over the last two trading days. Selling was generally light, but with the market unwilling to absorb stock, losses were out of proportion to the amount of business transacted.

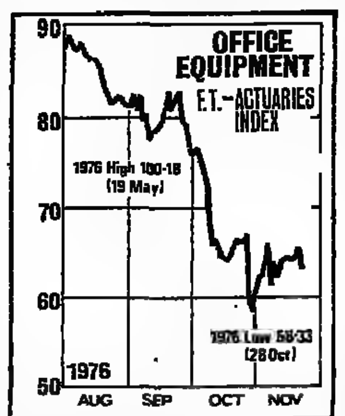
Once again, Banks and Properties were hard hit as reflected in falls of 5 and 5.5 per cent. in the respective sectors of the FT-Actuaries indices compared with a loss of 3.2 per cent., to 128.17, in the FT-Actuaries All-share Index. Other sectors to show above average falls included Stores and Durable Consumer Goods. Bright spots were few and far between and falls led rises by 11—2 in FT-quoted Industrials. Official markings of 4,978 compared with 5,267 last Friday and 4,745 a week ago.

Gilt-edged were initially unperturbed by the latest money supply figures which were worse than had been expected; the effects were tempered to some extent by favourable influences such as further reductions in U.S. Prime rates and a report that the pending U.K. economic package may be more severe than generally expected. Small early falls among the mediums and longs were thus soon regained following fresh good demand which included switch deals with the Government broker for long "tap" Treasury 15½ per cent., 1996, supplies at 98. Sterling's subsequent gyrations, however, led to a reactionary tendency and the market retreated in the afternoon to the extent of ½ among medium-dated issues. The shorts had to contend fairly early with selling described as switching longer and were more vulnerable—although, here too, closing losses were not large, being rarely more than ½.

The setback in sterling failed, unusually, to make any great impression on the investment currency market. Nevertheless, the premium edged forward, helped by a small institutional demand, to close ½ higher at 121½ per cent. Yesterday's SE conversion factor was 0.7135 (0.7023).

Banks dull again

After last Friday's inevitable sharp decline on news of the further squeeze on bank lending, the big four clearing Banks remained under a cloud yesterday, *clearly depressed by the resulting prospect of nil earnings growth* over the coming months. Down 16 last Friday, Barclays were again severely treated, falling 13 more at 193p, while Midland were a like amount lower at 207p. National Westminster lost 7 at 175p after 173, but Lloyds were only 5 easier at 165p, after 161p. Bank of Scotland, at 104p, fell 11. Ahead of their interim statements, due to-day and to-morrow respectively, Bank of Ireland gave up 3 at 235p and Allied Irish cheapened 2 to 78p. Bolstered last week by the recent performance of gilts, Discounts reacted yesterday. In a thin market, Seccombe Marshall and Campion fell 20 to 210p, while Allen Harvey and Ross, 320p, and Cater Ryder, 195p, both closed 10 easier.



The general dull trend and the slightly disappointing third-quarter profits performance from Commercial Union set the seal for a dull day in Insurances. CU touched 86p after the figures before closing a net 4 down on the day at 87p, while losses of 8 and 15 respectively were recorded in "Royals," 236p, and Sun Alliance, 300p. C. E. Heath declined 15 to 383p in Brokers where Alexander Howden ended 8 off at 122.

In Breweries, publicity given to the Boardroom troubles upset *Bass Charrington* which fell 4 to 88p, while Allied receded 2½ to 47½p. Ahead of Thursday's interim figures, Whitbread "A" shed 2 to 32p. Elsewhere, Distillers ran back 3 to 90p and Invergordon eased a penny to 30p, the latter despite higher first half earnings.

Contracting issues, a firm market of late, provided some of the most noteworthy losses in Buildings. R. Costain shed 9 to 114p and Taylor Woodrow 8 to 202p. Elsewhere APC dipped 7 to 130p and BPB Industries were 3 cheaper at 95p. Despite the sharp increase in the interim profits, Comben Group eased 1 to 13p, while the proposed sale of four building groups within the company to reed and Mallik failed to help Benfield and Loxley which lost 2 to 17½p. Shellabear Price eased 1 more to a fresh 1976 low of 17p. Among Timbers, losses of 2 or 3 were recorded in International, 67p, Magnet Southerns, 100p, and Wm. Mallinson, 25p.

Among Chemicals, ICI closed a shade above the worst at 286p, down 14, after 285p, ahead of the third quarter figures, due on Thursday. Fisons were also on offer at 248, down 12. Against the trend Blagden and Noakes hardened a penny to 124p in response to Press comment.

The prospect of an early increase in VAT rates and the reported fall-off in consumer confidence coming on top of the further tightening of the squeeze led to a depressed Stores sector. Falls extended to 10 and occasionally more with falls of about that much seen in Gussies "A," 129p, W. H. Smith "A," 263p, and British Home, 112p. Marks and Spencer closed 4 off at 79p and other dull spots took in House of Fraser down 8 at 51p.

Electricals were adversely affected by the same factors as Stores and showed similar losses: EMI, 200p, Thorn "A," 150p, and Decca "A," 184p, all being about 10 down at the end. GEC gave up 6 at 128p. After the recent gains, Racal, 208p, and Ultra, 40p, attracted profit-taking and lost 8 and 2 respectively, while Reyrolle were prominent at 95½, down 4½, following adverse Press comment.

Leading Engineerings were caught in the surrounding malaise and none more than Hawker, which fell 14 to 372p. Tube Investments, 266p, and GKN, 222p, both came back 8, while John Brown slipped 4 to 87p. Secondary issues were generally less affected, although Wolseley-Hughes closed 6 down at 84p and Weyburn 7 off at 305p. Other losses seldom exceeded 4, Ratcliffe Industries being that cheaper at 24p and Spear and Jackson similarly easier at 74p. Of the few to resist, Hallite gained 4 to 88p and B. Elliott improved 1 to 50p. News that the House of Lords would make no concessions on the Shipbuilding Nationalisation Bill provoked further uncertainty in the sector and Robb Caledon fell 7 further to 38p, while Swan Hunter lost 3 to 33p.

Foods were dull but, apart from Cavenham, 4 off at 90p, and Tate and Lyle, 8 down at 220p, losses were generally modest. Kinloch figured among the few firm spots with a rise of 4 to 158p awaiting fresh developments following the company's rejection of the bid from Booker McConnell; the latter were a penny harder at 107p.

Grand Metropolitan came back 3 to 46p, while losses of 2 were recorded in Trust Houses Forte, 59p, and Warner Holidays, 12½p, the last mentioned on disappointment with the sharp setback in half time pre-tax profit.

Misc. leaders dull

The Miscellaneous Industrial leaders remained depressed yesterday, still upset by last week's latest credit squeeze measures. Prices started to wilt from the start in thin trading and the relapse in sterling sped the fall with closing prices at, or near, *the day's lowest*. Unilever, 376p, Glaxo, 345p, Beecham, 316p, Reckitt and Colman 306p and Metal Box, 218p, all recorded losses of between 12 and 14, while Boots lost 7 at 91p as did Turner and Newall, to 123p. Secondary issues were not so harshly treated, but displayed numerous losses. Ozalid shed 8 at 72p and Robert McBride 6 to 128p. English China Clays reacted 4 to 50½p and Powell Duffryn lost 3 to 107p; the latter's half-year figures are due to-day. By way of contrast, Johnson Matthey edged forward 2 to 292p in front of to-morrow's interim results and Exiel., with half-year figures due on Thursday, added a like amount to 58p.

The tighter squeeze on credit left Motor and kindred issues with appreciable falls, Dunlop giving up 6 to 62p, Lucas 10 to 175p and Group Lotus 4 to 15p. British Leyland, 22p, and Rolls-Royce, 48p, shed 2 and 3½ respectively, while losses in Garages and Distributors ranged to 2 with the exception of T. Cowie which put on 2 to 27p.

Moving with the general trend, Newspapers and Printings sustained losses extending to 5. Thomson fell that much to 325p and Pearson Longman shed 3 to 89p, while Jefferson Smurfit gave up 4 at 91p. Bunzl Pulp slipped 3 to 83p, but Culter Guard Bridge resisted with a rise of 1½ to 11½p.

BP boil over

Wall Street influences caused jobbers to open British Petroleum lower and ensuing small profit-*taking brought a close of 18 down* on balance at 700p. Scattered nervous selling in the absence of any worthwhile support also made an impact on Shell, down 12 at 394p, while similar conditions among secondary issues accounted for losses of about 6 in Ultramar, 96p, and Tricentrol, 69p. Sustained by the agreed merger terms, the 14 per cent. Loan stocks of LASMO/SCOT hardened further to £84½. Overseas stocks were affected by domestic market trends and, while Ranger picked up ½ to £13½, Weeks Natural Resources lost 7 to 55p. Siebens (U.K.) were marked down 10 to 95p.

A return of old worires about the Property market's sensitivity to continuing high interest rates shrouded the sector in gloom. A fair amount of stock was offered by nervous holders which brought losses of around 9 in Land Securities, 105p, Stock Conversion, 120p, and Great Portland Estates, 170p, while Hammerson "A" fell 15 to 235p. Few resisted the downturn and MEPC closed 3 cheaper at at 35p and English 2 down at 28½p. Samuel, despite the forecast of *a return to the dividend list next year*, gave up 2½ to 29p, while Imry, 118p, Property Holdings, *172p, and Warnford Investments*, 142p, all sustained falls of about 6.

Harrisons and Crosfield continued a dull market in Overseas Traders, falling 13 to 387p, while Thomas Borthwick shed 4 to 65p.

The Board's decision to go into voluntary liquidation proved beneficial to Lampa Securities which touched a 1976 high of 145p before closing 10 higher on the day at 140p; the company has recently fought off a 120p per share offer from OST Industrial *Trust, a subsidiary of Royco* Group. Bucknall Trust hardened a shade to come into line with the 16p per share cash bid offered by Gresham House Estate but apart from these firm spots, Investment Trusts contributed to the surrounding gloom. Capital shares were vulnerable, Dualvest losing 6 at 98p and Triplevest 5 to 75p.

Shippings gave ground in thin trading with the biggest declines seen in the leaders. Furness Withy shed 8 to 158p and Ocean Transport 7 to 155p, while P & O Deferred gave up 5 at 100p. The continued absence of any bid news from Ben Line Steamers left Sheaf Steam 6 cheaper at 102p. Lovells Shipping and Transport, however, edged forward 5 more at 100p in further response to the agreed increased offer from International Ferry Freight.

Courtaulds led the retreat in Textiles, falling 4 to 79p, after 78p. Dawson International Ordinary and "A" gave up 2½ to the common level of 44p despite Press comment predicting favourable first-half profits when the company report on Thursday. In a thin market, John Haggas shed 10 at 270p, while further consideration of the profits setback left David Dixon a penny more easier at 32p. By way of contrast, "Snia-Viscosa" put on 6 at 100p.

Tobacco leaders closed at the day's lowest. BATs Industries, 248p, and the Deferred, 205p, both declined 8 and Imps lost 3½ at 51½p.

Golds edge higher

South African Golds began the week on a firm note following the improvement in the bullion price which closed $3.50 higher at $134 per ounce—a gain over the last two trading days of $5.25.

Business in shares, however, remained subdued, with prices being marked higher initially. In late trading a modest demand was reported from overseas sources, *notably the U.S.*, and prices consequently closed at the day's best levels. The Gold Mines index gained 2.00 to 141.2.

Improvements in the heavier-priced issues ranged to a half-point as in Western Holdings, £15⅝, while Vaal Reefs and Free State Geduld were both higher at the common price of £11⅛. Kinross were outstanding in the lower prices stocks being 20 to the good at 275p.

The overseas-based Financials generally mirrored Golds. "Amcoal" registered a rise of 10 at 483p, while Union Corporation put on 5 to 260p.

On the other hand the home-based Finance Houses were sharply lower reflecting the weakness of U.K. Industrials. Rio Tinto-Zinc and Charter were around 7 down at 148p and 12 respectively and Selection Trust fell 9 to 388p. Gold Fields closed 3 easier at [illegible] following the meeting at which the chairman reiterated his remarks that the group as a whole can expect some improvement in profits in the current year.

Messina were a feature in Coppers: consideration of the higher dividend and almost doubled profits left the shares up at 185p, after 190p.

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS — GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Mon. Nov. 22, 1976 Index No.	Day's Change %	Est. Earnings Yield % (Max) (Corp. Tax 52%)	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (net) (Corp. Tax 52%)	Est. P/E Ratio (nil) (Corp. Tax 52%)	Friday Nov. 19 Index No.	Thurs. Nov. 18 Index No.	Wed. Nov. 17 Index No.	Tues. Nov. 16 Index No.	Year ago (approx.) Index No.	1976 High	1976 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (178)	111.39	−3.0	24.55	8.47	5.08	5.11	114.81	117.40	115.18	114.88	141.08	160.06 (21/4)	100.83 (28/10)	206.57 (4/5/72)	50.71 (13/12/74)
2	Building Materials (30)	96.40	−3.4	24.09	10.02	5.24	5.24	99.81	102.53	100.02	98.60	137.34	150.18 (15/1)	86.55 (27/10)	253.84 (2/5/72)	44.27 (11/12/74)
3	Contracting, Construction (22)	139.60	−5.6	32.02	7.62	4.82	4.82	144.78	149.11	148.46	145.13	287.33	260.20 (16/1)	122.08 (27/10)	389.33 (16/5/72)	71.48 (2/12/74)
4	Electricals (16)	209.04	−3.2	21.41	6.48	5.75	5.94	215.87	221.93	217.65	220.11	245.74	287.30 (21/4)	193.54 (27/10)	350.04 (4/5/72)	84.71 (25/6/62)
5	Engineering (Heavy) (13)	137.72	−4.4	33.71	9.07	4.55	4.28	144.05	148.31	145.98	144.82	180.83	193.18 (5/5)	123.56 (27/10)	202.57 (6/5/72)	64.39 (2/1/75)
6	Engineering (General) (65)	105.21	−2.6	24.78	8.69	5.96	5.95	108.04	110.01	108.17	107.64	122.05	149.29 (5/5)	95.20 (28/10)	168.59 (4/5/72)	45.45 (6/1/75)
7	Machine and Other Tools (9)	49.41	−1.1	19.57	9.99	7.65	7.64	49.96	50.54	50.24	50.09	50.52	60.62 (3/5)	45.29 (11/10)	136.70 (4/5/72)	19.96 (13/12/74)
8	Miscellaneous (23)	98.40	−2.0	21.56	9.22	5.90	5.82	100.36	101.35	100.51	100.25	119.06	141.94 (11/5)	90.23 (28/10)	177.41 (27/4/72)	49.65 (6/1/75)
9	CONSUMER GOODS (DURABLE) (53)	95.15	−4.4	26.66	7.49	5.85	5.83	99.53	101.47	99.71	99.50	115.82	141.46 (21/4)	83.12 (25/10)	227.78 (21/4/72)	38.59 (6/1/75)
10	Lt. Electronics, Radio TV (15)	101.57	−5.5	25.94	5.79	6.21	6.20	107.07	108.70	107.08	106.44	128.62	160.35 (7/4)	87.51 (27/10)	257.41 (11/5/72)	49.85 (13/12/74)
11	Household Goods (13)	107.04	−1.7	28.48	11.25	5.55	5.55	108.87	111.46	109.71	109.54	166.42	187.22 (7/4)	104.30 (28/10)	263.22 (4/5/72)	63.92 (17/12/74)
12	Motors and Distributors (25)	65.32	−3.9	27.08	8.66	5.54	5.54	67.99	69.62	68.16	67.98	70.12	85.16 (5/5)	56.10 (28/10)	170.89 (15/1/69)	19.91 (6/1/75)
13	CONSUMER GOODS (NON-DURABLE) (170)	114.52	−3.3	19.90	8.55	7.61	7.54	118.40	121.35	118.87	118.24	150.29	162.24 (4/2)	104.41 (27/10)	226.08 (16/8/72)	61.41 (13/12/74)
14	Breweries (15)	118.25	−3.5	20.17	9.72	7.45	7.45	122.52	123.74	120.66	119.90	164.19	179.48 (2/2)	111.17 (27/10)	281.87 (28/11/72)	69.47 (13/12/74)
15	Wines and Spirits (6)	129.40	−1.8	18.59	8.75	8.26	8.26	131.89	132.46	130.18	128.48	158.55	190.67 (5/5)	124.71 (28/10)	257.40 (13/7/73)	78.88 (13/12/74)
16	Entertainment, Catering (15)	143.56	−3.0	18.40	9.32	8.29	8.22	147.96	151.22	147.00	146.05	180.17	211.26 (8/3)	127.11 (26/10)	329.99 (12/12/72)	54.85 (9/1/75)
17	Food Manufacturing (23)	131.42	−2.6	21.58	7.11	7.01	6.96	134.88	139.84	136.89	136.94	164.92	179.44 (11/5)	120.54 (27/10)	211.65 (1/5/73)	59.67 (11/12/74)
18	Food Retailing (16)	110.29	−2.1	17.51	7.16	8.38	8.38	112.66	114.31	111.37	111.59	149.51	160.05 (12/1)	92.79 (28/10)	255.08 (16/8/72)	54.25 (11/12/74)
19	Newspapers, Publishing (16)	173.98	−1.2	14.59	6.12	10.52	10.62	176.15	178.21	176.11	176.42	161.54	184.46 (11/3)	146.46 (12/10)	260.29 (12/1/72)	55.08 (6/1/75)
20	Packaging and Paper (12)	80.63	−4.0	21.93	9.97	7.00	7.00	84.01	86.46	84.61	84.35	101.52	112.50 (26/2)	72.34 (27/10)	155.89 (25/4/72)	45.46 (6/1/75)
21	Stores (34)	88.32	−4.9	17.51	6.09	8.80	8.77	92.87	95.76	92.60	92.47	127.95	136.24 (2/2)	78.47 (28/10)	204.39 (16/8/72)	52.65 (6/1/75)
22	Textiles (24)	104.47	−5.4	19.38	11.39	8.06	7.30	108.14	112.64	109.75	108.65	160.54	165.24 (30/1)	95.76 (27/10)	235.72 (17/1/69)	62.66 (11/12/74)
23	Tobaccos (3)	181.51	−2.9	24.14	9.51	6.16	6.16	186.94	190.35	188.62	188.32	214.31	241.96 (3/5)	167.36 (28/10)	359.16 (2/8/72)	94.34 (13/6/62)
24	Toys and Games (6)	68.72	−1.7	24.09	9.35	5.57	5.54	69.89	70.73	70.31	70.31	65.53	80.96 (18/7)	59.15 (22/1)	135.72 (18/1/70)	20.92 (6/1/76)
	OTHER GROUPS (95)															
25	Chemicals (26)	174.70	−4.2	16.51	6.61	7.55	7.35	182.27	186.41	182.10	181.59	193.66	261.58 (5/5)	165.10 (27/10)	261.88 (3/5/76)	71.20 (1/12/74)
26	Office Equipment (8)	65.57	−2.4	19.07	8.55	7.66	7.66	64.96	66.07	64.71	64.41	89.75	100.18 (19/5)	58.33 (28/10)	246.06 (1/9/72)	45.34 (2/1/75)
27	Shipping (12)	333.25	−3.3	16.26	7.91	9.55	8.48	344.61	347.51	340.64	336.10	395.69	432.64 (30/1)	308.48 (28/10)	517.00 (5/12/72)	90.80 (29/6/62)
28	Miscellaneous (48)	119.05	−2.9	19.66	9.68	7.57	7.56	122.64	125.65	123.07	124.04	163.47	172.98 (21/4)	108.14 (27/10)	258.85 (2/5/72)	60.59 (6/1/75)
29	INDUSTRIAL GROUP (496)	118.60	−3.4	20.90	8.24	7.07	7.04	122.74	125.60	123.03	122.62	149.67	168.38 (5/5)	107.52 (27/10)	220.17 (1/5/72)	59.01 (13/12/74)
30	OILS (4)	372.29	−2.6	11.44	4.71	10.13	9.32	382.10	384.10	372.84	376.26	351.96	395.84 (3/5)	315.67 (11/10)	431.66 (29/5/69)	87.26 (29/5/62)
31	500 SHARE INDEX	138.75	−3.2	19.02	7.54	7.52	7.40	143.36	146.18	142.94	142.81	164.86	186.00 (5/5)	125.80 (27/10)	227.95 (16/8/72)	63.49 (13/12/74)
32	FINANCIAL GROUP (100)	95.88	−3.9	—	8.20	—	—	99.78	103.94	102.33	101.67	137.78	153.46 (30/1)	87.19 (28/10)	241.41 (1/4/72)	55.88 (13/12/74)
33	Banks (6)	115.60	−5.0	29.22	7.95	5.27	5.27	121.68	131.94	131.35	131.35	165.26	192.16 (29/1)	111.33 (27/10)	288.32 (20/7/72)	62.44 (12/12/74)
34	Discount Houses (10)	136.35	−2.6	—	10.22	—	—	140.05	138.86	131.68	127.96	165.76	186.52 (13/1)	97.72 (28/10)	293.15 (2/5/72)	81.40 (10/12/74)
35	Hire Purchase (5)	66.45	−0.6	10.69	9.87	20.44	20.44	66.86	68.57	66.99	66.36	98.74	132.10 (26/2)	53.25 (27/10)	433.74 (4/5/72)	38.83 (11/12/74)
36	Insurance (Life) (10)	78.91	−2.9	—	9.59	—	—	81.26	82.42	80.33	80.69	126.14	129.45 (30/1)	73.11 (28/10)	194.46 (15/5/72)	44.88 (2/1/75)
37	Insurance (Composite) (7)	76.27	−3.6	—	9.69	—	—	79.15	80.71	79.29	78.58	109.09	119.75 (30/1)	68.99 (28/10)	156.76 (21/4/72)	43.96 (13/12/74)
38	Insurance Brokers (9)	208.56	−2.5	14.41	6.66	10.39	10.39	213.92	218.07	215.20	216.53	229.51	276.90 (11/5)	178.27 (27/10)	276.90 (11/5/76)	65.86 (16/12/74)
39	Merchant Banks (15)	50.80	−0.3	—	8.23	—	—	50.93	51.98	51.81	51.16	88.19	93.83 (27/1)	45.15 (28/10)	278.57 (1/5/72)	31.21 (7/1/75)
40	Property (32)	114.25	−5.5	6.52	4.84	32.65	30.85	120.94	126.40	123.18	121.38	166.01	194.57 (30/1)	95.95 (27/10)	357.40 (9/11/73)	56.01 (20/4/65)
41	Miscellaneous (6)	63.15	−0.1	21.28	13.18	7.15	7.15	63.24	63.09	61.23	61.33	79.85	91.98 (3/2)	55.37 (28/10)	303.18 (18/6/72)	33.29 (17/12/74)
42	Investments Trusts (50)	127.74	−1.6	4.14	6.03	24.97	24.97	129.74	129.42	127.14	126.40	175.81	184.55 (30/1)	115.09 (28/10)	248.79 (25/4/72)	71.63 (13/12/74)
43	ALL-SHARE INDEX (650)	128.17	−3.2	—	7.56	—	—	132.46	135.39	132.57	132.33	158.67	172.64 (30/1)	116.29 (27/10)	228.18 (1/5/72)	61.92 (13/12/74)
	COMMODITY GROUPS (Not included in 500 or All-Share indices)															
44	Rubbers (9)	495.72	−1.5	8.37	5.78	15.98	14.57	503.38	507.22	496.16	488.89	398.93	523.40 (7/6)	404.67 (14/1)	555.67 (23/7/73)	84.68 (25/8/65)
45	Teas (8)	133.42	+1.0	31.60	9.21	4.17	4.05	132.07	130.61	130.87	130.27	110.56	142.43 (6/7)	117.89 (7/1)	142.43 (6/7/76)	59.72 (17/10/74)
46	Coppers (3)	152.39	+2.9	43.51	7.36	2.35	2.35	148.18	153.21	154.62	155.47	270.84	301.47 (7/1)	143.41 (6/11)	567.76 (13/7/70)	94.08 (29/4/62)
47	Mining Finance (11)	83.61	−0.8	11.14	5.76	9.85	9.77	84.49	85.31	85.69	86.47	108.16	119.77 (7/1)	77.55 (15/10)	175.90 (28/4/69)	66.31 (30/9/74)
48	Tins (5)	116.94	−0.7	12.10	9.51	12.72	12.65	117.70	118.62	120.15	121.80	96.52	126.36 (7/10)	86.09 (9/2)	126.36 (7/10/76)	54.83 (27/5/70)
49	Overseas Traders (13)	195.65	−2.1	17.46	7.00	7.76	7.76	199.95	201.64	198.36	197.73	222.44	254.47 (3/6)	178.31 (27/10)	254.47 (3/6/76)	97.37 (6/1/76)

	FIXED INTEREST	Monday, Nov. 22 Index No.	Yield %	Friday Nov. 19	Thurs. Nov. 18	Wed. Nov. 17	Tuesday Nov. 16	Monday Nov. 15	Friday Nov. 12	Thurs. Nov. 11	Year ago (approx.)	1976 High	1976 Low	Since Compilation High	Since Compilation Low
1	Consols 2½% yield	—	15.11	14.98	15.09	15.19	15.19	15.19	15.46	15.27	14.78	—	—	—	—
2	20-yr. Govt. Stocks (6)	44.33	†14.57	44.57	44.24	44.03	44.00	44.03	43.72	*43.54	46.59	53.45 (30/1)	42.31 (27/10)	116.42 (11/7/65)	38.27 (3/1/75)
3	20-yr. Red. Deb. & Loans (15)	44.50	†16.49	44.39	44.31	44.22	44.16	43.91	44.06	44.04	46.00	52.40 (21/6)	43.09 (2/11)	113.43 (23/10/65)	37.01 (3/1/75)
4	Investment Trust Prefs. (15)	43.16	16.11	43.11	42.99	42.85	42.80	43.07	43.63	43.58	46.57	51.23 (18/2)	40.54 (8/10)	114.41 (13/9/63)	34.45 (4/12/74)
5	Coml. and Indl. Prefs. (20)	60.37	14.96	60.32	60.07	59.87	59.30	59.12	59.06	58.90	64.42	71.97 (2/2)	54.89 (8/10)	114.96 (7/10/65)	47.67 (6/1/75)

Section or Group	Base Date	Base Value	Section or Group	Base Date	Base Value
Overseas Traders	31/12/74	100.00	Food Retailing	29/12/67	114.13
Engineering (Heavy)	31/12/71	153.84	Insurance Brokers	29/12/67	96.67
Engineering (General)	31/12/71	153.84	Mining Finance	29/12/67	100.00
Wines and Spirits	16/1/70	144.76	All Other	10/4/62	100.00
Toys and Games	16/1/70	135.72			
Office Equipment	16/1/70	128.20			
Industrial Group	31/12/70	128.20			
Miscellaneous Financial	31/12/70	128.06			
Food Manufacturing	29/12/67	114.13			

† Redemption yield. FT-Actuaries indices are calculated by Extel Communications Limited (a member of the Exchange Telegraph Group) on an IBM 370 computer.

A list of the constituents of the FT-Actuaries Share Indices is now available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p. By post 20p.

A record of the indices, cost £30, is obtainable from FT Business Enterprises, 10, Bolt Court, London, EC4. It gives all group and sub-section indices at fortnightly intervals since the start of the series in 1962 with quarterly highs and lows. Dividend and earnings figures are also included. * Corrected.

FINANCIAL TIMES STOCK INDICES

	Nov. 22	Nov. 19	Nov. 18	Nov. 17	Nov. 16	Nov. 15	A year ago
Government Secs.	58.22	58.44	59.06	57.97	57.92	57.37	56.90
Fixed Interest	57.87	57.95	57.69	57.54	57.52	57.37	58.90
Industrial Ordinary	293.2	307.2	317.0	311.1	310.2	311.8	374.7
Gold Mines	141.2	139.2	135.6	137.2	140.6	151.0	[illegible]
Ord. Div. Yield	7.44	7.12	6.90	7.04	7.06	7.09	[illegible]
Earnings Yld % (full)	23.23	22.33	21.48	21.92	21.93	21.83	[illegible]
P/E Ratio (net)	5.37	5.55	5.83	5.66	5.63	5.70	[illegible]
Dealings marked	4,978	5,267	4,474	4,225	4,906	4,745	[illegible]
Equity turnover £m.	—	52.84	69.60	54.57	56.19	65.98	[illegible]
Equity bargains total	—	10,658	10,826	8,817	10,753	11,530	[illegible]

10 a.m. 297.7. 11 a.m. 294.8. Noon 295.1. 1 p.m. 294.4. 2 p.m. 293.6. 3 p.m. 293.1.

Latest Index 01-246 8026.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1976 High	1976 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	65.21 (30/1)	53.88 (27/10)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	64.43 (2/2)	55.37 (28/10)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	420.8 (4/5)	265.3 (27/10)	543.6 (19/5/72)	49.4 (26/6/40)
Gold Mines	246.9 (2/1)	78.8 (25/6)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

[illegible]

Instant homes planned at Peterborough

INSTANT HOMES which can be erected in a day are to be used to accommodate new families under a Government expansion scheme for Peterborough. More than 300 houses, flats and bungalows are to be built by the new method at a cost of £3m.

They will form a new estate at Bretton, near Peterborough, where the Government is doubling the population by 1981, bringing in families from London.

The houses will be delivered in sections. The first properties will be ready for occupation in ten months and the entire contract should be completed within two years.

A spokesman for the development corporation which is handling the £700m. expansion scheme said yesterday: "The basic shell of each house will take only one day to erect, although more time will be needed on the foundations.

"When they are completed there will be nothing to show they were not built by traditional methods on site, rather than in a factory."

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1976 high	1976 low
ICI	£1	18	286	−14	402	236
BATs Defd.	25p	14	203	−8	225	183
BP	£1	12	700	−18	716	557
Shell Transport	25p	12	304	−12	462	352
Beecham	25p	11	316	−12	390	269
EMI	50p	10	200	−11	277	173
Marks & Spencer	25p	10	79	−4	108	70
Barclays Bank	£1	9	193	−13	350	190
Nat. Westminster	£1	9	175	−7	272	163
Commercial Union	25p	8	87	−4	138	75
Courtaulds	25p	8	79	−4	169	73
Grand Met.	50p	8	46	−3	88	41
GKN	£1	8	222	−8	360	203
Midland Bank	£1	8	207	−13	320	200
Unilever	25p	8	376	−14	500	346

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e).

Option Report—3-month Call rates

OPTION DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Nov. 9	Nov. 22	Feb. 10	Feb. 22
Nov. 23	Dec. 6	Feb. 24	Mar. 8
Dec. 7	Dec. 20	Mar. 10	Mar. 22

Industrials		E.M.I.	17	Midland Bank	29	Cap. Counties	5
A. Brew	8½	Fitch Lovell	6	Nat West Bank	20	E.P.	5
A. P. Cement	15	Gen. Accident	12	"Do" Warrants	7½	Int. Europe	7
Assoc. Leisure	5	Gen. Electric	15	P & O Dfd.	11	Land Securities	14
BSR	9	Glaxo	35	Plessey	7	MEPC	7
Babcocks	8	Grand Met.	7	R.H.M.	6	Peachey	6
Barclays Bank	22	G.U.S. 'A'	16	Rank Org. 'A'	18	Samuel Props.	4½
Berry Wiggins	5	Guardian	16	Reed Int'l	25	Town & City	2½
Beecham	26	G.K.N.	25	Reyrolle	11		
Boots Drug	12	Hawker Sidd.	35	Rothmans	4	Oils	
Bowaters	16	House of Fraser	8	Slater Walker	4	Brit. Petroleum	40
B.A.T.	21	I.C.I.	20	Spillers	4	Burmah Oil	4½
British Leyland	5	"Imps"	7	Tesco	4	Shell	27
BOC Int.	8½	I.C.L.	14	Thorn 'A'	22	Ultramar	14
Brown (J.)	9	Inveresk	7	Trust Houses	9		
Burton 'A'	6½	Legal & General	12	Tube Invest.	7	Mines	
Cadburys	6	Ladbroke	11	Unilever	38	Charter Cons.	18
Cavenham	10	Lex Service	3½	Utd. Drapery	8	Chart'rhll Fin.	4
Courtaulds	11	Lloyds Bank	22	Vickers	18	Cons Gold	15
Debenhams	6	"Lots"	4	Williams Hud'n	4	Hampton Areas	12
Distillers	13	London Brick	4½	Woolworths	6	Lonrho	19
Dunlop	7½	Lucas Inds.	20			Rio T. Zinc	18
Eagle Star	11	"Mams"	7	Property		Western M'ng.	7
		Marks & Sp'ncer	8	Brit. Land	5½		

NEW HIGHS AND LOWS FOR 1976

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1976.

NEW HIGHS (2)

OILS (1)
SCOT 14pc 81-83

TEAS (1)
Jokai

NEW LOWS (28)

BUILDINGS (4)
BCA — May and Hassell
Fairview Estates — Shellabear Price

STORES (2)
Readicut — Sumrie

ELECTRICALS (1)
Plessey

ENGINEERING (1)
Blackwood Hodge

FOODS (2)
Fitch Lovell — Meat Trade Supplies

HOTELS (2)
I.O.M. Ent. — Warner Hols. 'A'

INDUSTRIALS (6)
Allied Polymer — Kelsey Inds.
Brooks Watson — Sears Hldgs.
Hoover 'A' — Tozer Kemsley

MOTORS (1)
Lotus Car

PAPER (2)
Reed and Smith — Usher Walker

PROPERTY (1)
Bellway

SHIPPING (1)
Reardon Smith

TEXTILES (4)
Bright (John) — Lister
Carpets Intl. — Radley Fashions

OILS (1)
Ultramar 7pc Cnv.

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	8	46	8
Corpns., Dom. and Foreign Bonds	4	7	49
Industrials	126	642	855
Financial and Prop.	36	246	267
Oils	5	15	15
Plantation	3	9	24
Mines	33	22	76
Recent Issues	5	6	10
Totals	221	1,043	1,298

BASE LENDING RATES

Allied Irish Banks Ltd.	14
American Express Bank	14
Anglo-Portuguese Bank	14
Henry Ansbacher	14
Banco de Bilbao	14
Bank of Cyprus	14
Bank of N.S.W.	14
Banque du Rhone S.A.	14½
Barclays Bank	14
Barnett Christie Ltd.	15
Bear Securities Ltd.	14
Bremar Holdings Ltd.	14
Brit. Bank of Mid. East	14
■ Brown Shipley	14
Canada Permanent AFI	14
Capitol C & C Fin. Ltd.	14
Cayzer, Bowater Co. Ltd.	14
Cedar Holdings	14
■ Charterhouse Japhet	14
C. E. Coates	15
Consolidated Credits	14
Co-operative Bank	14
Corinthian Securities	14
Credit Lyonnais	14
G. R. Dawes	14
Duncan Lawrie	14
Eagil Trust	14
English Transcont.	14
First London Secs.	14
First Nat. Fin. Corp.	16
First Nat. Secs. Ltd.	14
■ Antony Gibbs	14
Goode Durrant Trust	14
Greyhound Guaranty	14
Grindlays Bank	14
■ Guinness Mahon	14
■ Hambros Bank	14
■ Hill Samuel	14
C. Hoare & Co.	14
Julian S. Hodge	15
Hongkong & Shanghai	14
Industrial Bank of Scot.	14
Keyser Ullman	14
Knowsley & Co. Ltd.	16
Lloyds Bank	14
London & European	14
London Mercantile	14
Midland Bank	14
■ Samuel Montagu	14
■ Morgan Grenfell	14
National Westminster	14
Norwich General Trust	14
P. S. Refson & Co.	14
Rossminster Accepts	14
Royal Bk. Canada Trust	14
Schlesinger Limited	14
E. S. Schwab	14
Security Trust Co. Ltd.	14
Shenley Trust	14
Standard Chartered	14
Trade Development Bk.	15
Twentieth Century Bk.	15
United Bank of Kuwait	14
Whiteaway Laidlaw	14
Williams & Glyn's	14
Yorkshire Bank	14

■ Members of the Accepting Houses Committee.
[illegible]

MONEY MARKET

Exceptional shortage

Bank of England Minimum Lending Rate 14½ per cent. (since November 19, 1976)

There was a severe shortage of day-to-day credit in the London Money market yesterday and the authorities gave assistance by buying an exceptionally large number of Treasury bills and local authority bills from the discount houses, and by lending an exceptionally large amount overnight to eight or nine houses, at Bank of England Minimum Lending Rate.

Banks carried forward run-down balances from Friday, there was a net market take-up of Treasury bills, an increase in the note circulation, repayment of Friday's extremely large official advances to the market, and settlement of substantial sales of gilt-edged stock. On the other hand Government disbursements exceeded revenue payments to the Exchequer.

Discount houses paid up to 16 per cent. for secured call loans in the early part, and closing balances were found in the region of 13-14½ per cent.

In the interbank market overnight loans opened at 15½-15¾ per cent. and [illegible] before falling to [illegible] and closing at 15-16 per cent.

Short-term fixed period interest rates were generally firmer. Discount houses buying rates for three-month Treasury bills increased to 14½ per cent. from 14-13⅞ per cent.

Rates in the table below are nominal in some cases.

Nov. 22 1976	Sterling Certificates of deposits	Interbank	Local Authority deposit*	Local Auth. negotiable bonds	Finance House Deposit	Company deposits	Discount market deposits	Treasury bills	Bank bills	Fine Trade bills
Overnight	—	15-16¼	—	—	—	—	13-16	[illegible]	[illegible]	[illegible]
2 days notice	—	—	15¾-16	—	—	—	—	[illegible]	[illegible]	[illegible]
†7 days or 7 days notice	—	15¾-16	16¾-16	—	16½	—	14⅝-14¾	[illegible]	[illegible]	[illegible]
One month	15¼-15	15⅛-15⅜	15½-15¾	15½-15	15¾-16	—	14¼-14½	[illegible]	[illegible]	[illegible]
Two months	15-14⅞	14⅝-15⅛	—	15½-15	15¼-16	—	14-14¼	[illegible]	[illegible]	[illegible]
Three months	14¾-14⅝	14⅜-14¾	16-15⅛	15½-14	15¼-16	—	13¾-14	[illegible]	[illegible]	[illegible]
Six months	13⅞-13⁹⁄₁₆	13⁷⁄₁₆-13⅞	14¾-16	15-13½	14⅝-14⅝	—	[illegible]	[illegible]	[illegible]	[illegible]
Nine months	13⅝-13¼	13¼-13⅞	—	15-13⅝	14⅜-14⅝	—	[illegible]	[illegible]	[illegible]	[illegible]
One year	13⅛-13⅛	13⅛-13⅞	14¾-16	15-13⅝	14⅛-14⅝	—	[illegible]	[illegible]	[illegible]	[illegible]
Two years	—	—	14⅛-14¾	—	—	—	[illegible]	[illegible]	[illegible]	[illegible]

Local authority and finance houses seven days' notice, others seven days' fixed. * Long-term local authority mortgage rates nominally three years 14⅞-15 per cent.; four years 14⅞-15 per cent.; five years 14⅞-15 per cent. Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 13¹⁵⁄₁₆-13⅞ per cent.; four-month trade bills 15⅛-14⅞ per cent. Approximate selling rate for one-month Treasury bills 13²⁵⁄₃₂-13⅞ per cent.; [illegible] and three-month 13²⁹⁄₃₂ per cent. Approximate selling rate for one-month bank bills 14⅛-14⅞ per cent.; [illegible] and three-months 14¼ per cent.; one-month trade bills 15⅛-15⅛ per cent.; two-month 15¼ per cent.; [illegible] per cent.

Finance House Rates (published by the Finance Houses Association) 14 per cent. from November 1, 1976. Clearing Bank Deposit Rates for small sums of seven days' notice 11 per cent. Clearing Bank Base Rates for lending 14 per cent. Treasury bill average tender rates of discount 14.0928 per cent.

AUTHORISED UNIT TRUSTS

Framlington Unit Mgt. Ltd. (a)
5-7, Ireland Yard, EC4B 5DH. 01-248 6971

Capital Tst.	52.2	55.9	.....	6.50
Income Tst.	48.6	51.6	.....	9.11
Int. Growth Fd.	55.2	58.8	.....	3.50
Do. Accum.	55.2	58.8	.....	3.50

Friend's Provdt. Unit Tr. Mgrs.♥
Pixham End, Dorking. 0306 5055

Friends Prov. Uts.	23.7	25.3	-0.9	6.21
Do. Accum.	29.9	31.8	-1.1	6.21

REGIONAL MARKETS

A selection of the share prices previously shown under regional headings is presented below with quotations on London. Irish issues, most of which are not officially listed in London, are shown separately and with prices as on the Irish exchange.

						IRISH		
						Conv. 9% '80/82	£78¾	.....
Albany Inv. 20p	16	.....	Higsons Brew.	60xd	.....	Alliance Gas	47	+1
Ash Spinning	34	.....	I.O.M. Stm. £1	130	+3	Arnott	190	.....
Bertam	21	.....	Holt (Jos.) 25p	182	.....	Carroll (P.J.)	92	-3
Bdg'wtr. Est. 50p	122	-1	Kleen-e-Ze	32	+1	Clondalkin	53	.....
Clover Croft	26	.....	Lovell's Ship £1	180	-5	Concrete Prods.	40	.....
Craig & Rose £1	350	.....	N'thn. Goldsmith	21	.....	Heiton (Hldgs.)	20	.....
Dyson (R.A.)	20	.....	Pearce (C. H.)	85	.....	Ind. News	35	.....
Ellis & McHdy.	62	.....	Peel Mills	11	.....	Ins. Corp.	148¼	.....
Evans F'k. 10p	22	.....	RobbCaledonSh.	38	-7	Irish Distillers	38	.....
Evered	8	.....	Sayers 12½p	25	.....	Irish Ropes	80xd	+½
Fife Forge	53	.....	Sheffield Brick	73	.....	Jacob	41	.....
Finlay Pkg. 5p	16	.....	Sheff. Refrshmt.	130	.....	Sunbeam	9	.....
Graig Ship. £1	300xd	.....	Shiloh Spinn.	21xd	.....	T.M.G.	71	+3
Hallam Sleigh 10p	6	.....	Sindall (Wm.)	49	.....	Unidare	42	.....

INSURANCE, PROPERTY, BONDS

OFFSHORE AND OVERSEAS FUNDS

S. G. Warburg & Co. Ltd.
30, Gresham Street, EC2. 01-600 4555

Cnv. Bd. Nov. 19	$US8.75	-0.02	—
Energy Int. Nov. 19	$US13.74	-0.02	—
Gr. St. $Fd. Oct. 29	$US6.93	.....	—

Warburg Invest. Mngt. Jrsy. Ltd.
1 Charing Cross, St. Helier, Jsy. CI. 0534 20041

CMF Ltd. Oct. 28	$US9.56	9.82	.....	—
CMT Ltd. Oct. 28	£9.13	9.37		—
Metals Tst. Nov. 18	£12.27	12.57		—
TMT Nov. 11	$US9.96	10.72	.....	—
TMT Ltd. Nov. 11	£10.10	10.36	.....	—

World Wide Growth Management♦
10a, Boulevard Royal, Luxembourg.

WorldWideGth. Fd.	$US11.45	-0.09	—

NOTES

Prices do not include $ premium, where applicable, and are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of U.K. taxes. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♦Net of tax on realised capital gains unless indicated by ♦. §Guernsey yield. #Suspended. ‡Single premium insurance bonds. ♦Yield before Jersey tax.

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

1976 High	Low	Stock	£	+ or −	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
101½	99¾	Treasury 10½pc 1976‡‡	99 31/32	......	10.55	13.96
98	95	Treasury 6¾pc 1977‡‡	98	......	6.38	13.25
97¾	94½	Electric 3pc 74-77	97½	......	3.08	11.41
103	97	Treasury 11½pc '77‡‡	98⅝	......	11.66	13.17
95⅛	91⅞	Treasury 3pc '77‡‡	94⅛	......	3.18	9.42
95⅝	92¼	Transport 4pc '72-77	94⅝xd	−⅛	4.23	9.40
99	90½	Treasury 9pc 1978‡‡	95	−⅛	9.44	12.98
101½	93⅞	Treasury 10½pc '78‡‡	95⅝	−⅛	10.98	13.51
93¾	89⅝	Exch. 5pc 76-78	90⅞	+⅛	5.50	10.56
103	92	Treasury 11½pc '78‡‡	94	−½	12.16	14.32
98¾	92	Treas. 11½pc '79 'A'‡‡	94	−½	12.16	14.34
88⅞	82¼	Treasury 3pc '79‡‡	84⅛	+¼	3.57	9.54
89⅝	82¼	Electric 4½pc '74-79	85⅛	+¼	4.99	10.41
100	88⅞	Treasury 10½pc '79‡‡	91⅛	−½	11.52	14.28
88¾	82¼	Electric 3½pc '76-79	84⅛	+¼	4.16	9.77
96	84½	Treasury 9pc 1980‡‡	86	−⅛	10.38	14.21
96½	84	Treasury 9½pc '80‡‡	87⅛	−⅛	10.90	14.34
86	78¾	Treasury 3½pc '77-80	80½xd	+⅛	4.37	10.31
89½	80	Funding 5¼pc '78-80‡‡	81⅜	+⅛	6.45	11.82
		Exch. 13pc 1980‡‡	£96¼	......	13.51	14.25
103	88½	Treasury 11½pc 1981‡‡	91	−⅛	12.61	14.35
86	76¼	Treasury 3½pc 1979-81	77½	+¼	4.52	10.17
95⅝	82	Treasury 9¾pc 1981‡‡	85¼	−⅛	11.44	14.41
		Five to Fifteen Years				
94½	79⅞	Treasury 8¼pc '80-82‡‡	83⅞	−¼	10.52	13.80
70½	69¾	Treasury 3pc '82‡‡	70½	......	4.27	10.56
99	98¼	Treasury 14pc '82‡‡	98½	−½	14.28	14.53
107¾	88⅞	Treasury 12pc 1983‡‡	92⅜	−½	13.31	14.41
81⅛	69⅝	Funding 5½pc '82-84‡‡	72	−½	7.85	11.81
87⅝	74⅞	Treasury 8½pc '84-86‡‡	78	−¼	11.36	13.16
74⅞	60⅛	Funding 6½pc '85-87‡‡	63¼	−¼	10.34	13.14
77⅝	65⅛	Treasury 7¾pc '85-88‡‡	68⅜	−¼	11.77	13.82
51¼	44⅞	Transport 3pc '78-88	47⅜	−¼	6.50	11.52
59¾	48	Treasury 5pc '86-89	50⅝	−¼	9.98	13.12
103¾	87¼	Treasury 13pc 1990‡‡	92¼	−½	14.84	15.18
75⅞	61⅝	Treasury 8¼pc '87-90‡‡	63½xd	−¼	12.97	14.45
60	47⅞	Funding 5¾pc '87-91‡‡	50¼	−¼	11.62	14.00
		Over Fifteen Years				
100½	84¼	Treasury 12¼pc '92‡‡	88⅝	−⅛	15.12	15.43
98½	82¼	Treasury 12½pc '93‡‡	86⅝	−⅛	15.22	15.51
58	45⅝	Funding 6pc 1993‡‡	48¼	−¼	12.73	14.43
75⅞	59½	Treasury 9pc '94‡‡	62⅝	−¼	14.40	15.11
97⅞	91⅛	Treasury 14½pc '94‡‡	95¼	−⅛	15.53	15.60
36½	28⅝	Gas 3pc '90-95	30⅝	−⅛	9.85	13.06
100	79	Treasury 12¾pc '95‡‡	83⅛	−⅛	15.39	15.58
75⅞	59⅞	Treasury 9pc '92-96‡‡	63⅛	−¼	14.65	15.24
98	97½	Treasury 15¼pc '96‡‡	97¾	−¼	15.68	15.70
95⅞	81½	Exchequer 13¼pc '96‡‡	85¼	−⅛	15.50	15.66
35½	28	Redemption 3pc 1986-96	29⅞	−⅛	10.19	12.97
102½	85⅛	Treasury 13¾pc '97‡‡	89⅝	−⅛	15.56	15.67
70¼	58	Treasury 8¾pc 1997‡‡	61⅛	−¼	14.73	15.23
57⅞	45	Treasury 6¾pc '95-98‡‡	47⅜	−¼	14.29	15.07
100⅝	95⅛	Treas. 15½pc '98‡‡	100¼	−⅛	15.73	15.71
76	63¼	Treasury 9½pc 1999‡‡	66⅝	−¼	15.03	15.35
31½	25⅛	Funding 3½pc '99-04	27⅜	−⅛	13.40	14.30
65	51	Treasury 8pc '02-06‡‡	54	−¼	15.12	15.27
46⅛	35⅝	Treasury 5½pc '08-12‡‡	37¾	−⅛	15.01	15.13
60⅞	50⅛	Treasury 7¾pc '12-15‡‡	53⅜	−¼	15.25	15.27
		Undated				
30⅜	25¼	Consols 4pc	26¾	−⅛	15.69	—
27⅞	22¼	War Loan 3½pc‡‡	23¾xd	−⅛	14.69	—
28⅞	23⅞	Conv. 3½pc '61 Aft.	24⅞	−⅛	14.36	—
23¼	19½	Treasury 3pc '66 Aft.	19½	−⅛	15.71	—
19⅜	16	Consols 2½pc	16⅞	−⅛	15.11	—
19½	15⅜	Treasury 2½pc	16¼	−⅛	15.74	—

**INTERNATIONAL BANK

1976 High	Low	Stock	£	+ or −	Yield Int.	Red.
75	68½	5pc Stock '77-82	74¼	−¼	6.78	11.31

**CORPORATION LOANS

1976 High	Low	Stock	£	+ or −	Yield Int.	Red.
89¾	78¾	Birm'ham 9¾pc '79-81	81	......	11.42	14.98
98½	87½	Bristol 6½pc '75-77	98½	......	6.60	13.43
95½	89½	Essex 5¼pc '73-77	95½	......	5.76	13.27
96	92⅝	G.L.C. 7¼pc 1977	95¾	......	7.57	13.38
102¼	86½	Do. 12½pc '82	90¼xd	−¼	13.73	14.93
78¾	73½	Herts. 5¼pc '78-80	75	−¼	7.00	14.60
95⅛	91⅞	Liverpool 7pc '76-77	95	......	7.37	13.55
83	73½	Do 9¼pc '80-84	76½	−½	12.75	15.09
26	20½	Do 3½pc Irred.	22	......	16.56	—
90	85¾	Lon. Corp. 6½pc '76-78	88	......	7.39	14.57
83	71	Do. 9¼pc '84-85	73½	......	12.79	14.97
92	87⅞	L.C.C. 6pc '76-78	91	......	6.59	14.18
75½	64¼	Do 5½pc '77-81	69¾	......	7.86	14.37
67½	58	Do 5½pc '82-84	61	......	9.30	14.50
59	49	Do. 5½pc '85-87	49¾xd	......	10.97	15.08
60½	50	Do 6¾pc '88-90	52	......	13.60	15.67
22½	18	Do 3pc '20 Aft.	19xd	......	15.99	—
93¾	90	Middx. 6¼pc '75-77	93½xd	......	6.71	13.56
79½	74	Do 5¼pc 1980	76¼	......	6.88	14.46
90½	81¼	Newcastle 9¼pc '78-80	84	......	11.01	14.87
101½	90½	Warwick 12½% 1980	93½	......	13.37	14.69

COMMONWEALTH & AFRICAN LOANS

1976 High	Low	Stock	£	+ or −	Yield Int.	Red.
91	83⅝	**Aust. 5½pc '75-78	86½	−¼	6.41	14.37
82¾	77¼	**Do. 5½pc 77-80	80¼	......	7.03	14.38
74¾	64½	**Do. 5½pc '81-82	68¼	......	8.14	14.36
86⅞	80¾	**N.Z. 4pc 1976-78	84½xd	−¼	4.70	12.59
83⅝	77	**Do. 6pc '76-80	80⅛	−¼	7.62	14.28
74	62	**Do. 7½pc '83-86	64¼xd	+¼	11.55	14.37
65	22	Sth. Rhod. 2½pc '65-70	54	+2	—	—
64	34	Do. 6pc '78-81	64	......	—	—

LOANS (Miscel.)

1976 High	Low	Stock	£	+ or −	Yield Int.	Red.
81⅛	42	Agric. Mt. 5pc '59-89	45	......	11.59	15.29
76½	64	Alcan 10½pc '89-94	64	......	17.51	18.00
100¼	89¾	**FFI 13pc '81	93¼	......	13.94	15.18
106	98	Do. 14pc 1979	100	+1½	14.04	14.10
66¼	54	ICFC 8¾% Ln. 92-97	60	......	14.79	15.80
97½	89	Do. 9pc 1977	97½	......	9.23	14.40
24¾	19	**Met. Water 3pc 'B'	20¼	......	14.91	16.01
110	71	U.S.M.C. 9pc 1982	95xd	......	9.47	10.15
82½	71	Do. without Wrnts.	71½xd	......	12.59	16.90
90½	84	Ultramar 7pc '75-78	87	......	8.06	14.80

FOREIGN BONDS & RAILS

1976 High	Low	Stock	Price £	+ or −	Div % Gross	Red. Yield
18½	9	Antofagasta Rly.	15½	......	—	—
36	27½	Do 5pc Pref.	32xd	......	—	—
95	26½	Berlin 4½pc Ass.	95	......	4½	9.19
98	94	Chilean Mixed	98	......	3	£3.06
202	192	German Yng. 4½pc.	202	......	4½	—
72	60	Greek 7pc Ass.	60xd	......	3½	£5.94
67	55	Do 6pc '28 Stab. Ass.	58	......	3	£5.23
48	35	Do 4pc Mixed Ass.	42	......	2	£4.17
32	30	Hung. '24 Ass.	32	......	4½	£16.20
55	47	Ireland 6½pc '83-88	47	......	6½	£15.60
74	68¼	Ireland 7½pc '81-83	71	......	7½	15.20
77	60	Do 9¾pc '91-96	63	......	9¾	16.44
253	165	Japan 4pc '10 Ass.	248	......	—	—
71½	48	Do 6pc '83-88	60	+2	6	13.20
163	125	Peru Ass. 3pc	145	......	3	2.43
48½	17½	Romanian 4pc C's.	18½#	......	—	2.15
574	567	S.G.I. 6½pc 1980	574	......	9	8.78
595	591	Turin 9pc 1981	593	......	9	9.67
[illegible]	[illegible]	Turin 6½pc 1984	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	Uruguay 3½pc	[illegible]	[illegible]	[illegible]	[illegible]

U.S. $ & DM prices exclude inv. $ premium

AMERICANS

[illegible]

S.E. List Premium 40¼% (based on $US1.6460 per £)

Conversion factor 0.7125 (0.7022)

CANADIANS

1976 High	low	Stock	£	+ or −	Div. Gross	C'vr	Y'ld Gr's
14¼	10⅜	Bk. Montreal $2	12⅞	+¼	$1.00	—	5.2
40½	29	Bk. Nova Scot. $2	35¼	+⅞	$1.72	—	3.1
46⅝	33¼	Bell Canada 25c	40½	+⅞	$3.72	—	6.0
23⅝	12	Bow Valley‖	17	+½	10c	—	0.4
10	780p	Brascan‖	860p	+5	$1.00	—	7.5
29	19	Can. Imp. Bk. $2	20½	+½	$1.28	—	4.0
16⅞	10⅜	Can. Pacific $5	13¾	+⅛	84½c	—	4.0
29⅝	25¼	Do. 4pc Deb. £100	25½	......	4%	—	15.7
37⅞	20	Gulf Oil Can.‖	20¼	−¼	$1.00	—	3.2
670p	390p	Hawker Sid. Can.‖	400p	+10	36c	—	5.8
33	22	Hollinger $5	26¾	+¼	$1.80	—	4.4
18	12⅛	Hudson's Bay ‖	13¾	−⅛	60c	—	2.9
34⅜	26⅜	Hud. B. Oil G. $2½	27½	+¼	$1.60	—	3.8
22¼	16¼	Imperial Oil‖	17⅛	+⅜	86.4c	—	3.3
31½	19½	Inco	25½	......	$1.40	—	3.5
920p	660p	Int. Nat. Gas $1	790p	+5	80c	—	6.5
25½	16	Massey Ferg.‖	18	......	$1.00	—	3.6
27⅞	20¾	Pacific Pet. $1	22	+⅛	80c	—	2.4
58½p	24p	Place Gas $1	27½p	+1	—	—	—
30¾	22⅞	Rio Algom	23¼	+⅞	$1.00	—	2.8
27¼	20	Royal Bk. Can. $2	21⅞	+⅛	$1.38	—	4.1
23	17	Seagram Co. C$1	18	+½	86.4c	—	3.1
18	13	Tor. Dom. Bk. $1	15	+⅛	74c	—	3.0
11⅞	830p	Trans. Can. Pipe 33½c	10½	+¼	88c	—	16.4

S.E. List Premium 40¼% (based on $1.6253 per £)

BANKS AND HIRE PURCHASE

1976 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
390	251	ANZ SA1	335	−2	†Q14.9	—	2.9	—
250	125	Alexanders D. £1	175	−5	11.67	—	10.3	—
£110	£80	Algemene Fl.100	£94	......	†Q21%	2.6	5.5	9.7
490	235	Allen Harvey £1	320	−10	25.0	—	12.0	—
[illegible]								

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

BUILDING INDUSTRY—Continued

[illegible]

CHEMICALS, PLASTICS

[illegible]

CINEMAS, THEATRES AND TV

[illegible]

DRAPERY AND STORES

[illegible]

DRAPERY AND STORES—Continued

[illegible]

ELECTRICAL AND RADIO

[illegible]

ENGINEERING, MACHINE TOOLS

[illegible]

ENGINEERING—Continued

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

صكذا من الاجل

INDUSTRIALS—Continued

INSURANCE

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPBUILDERS, REPAIRERS

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

TRUSTS—Continued

Finance, Land, etc.

OILS

OVERSEAS TRADERS

RUBBERS AND SISALS

TEAS

India and Bangladesh

Sri Lanka

Africa

MINES

CENTRAL RAND

EASTERN RAND

MINES—Continued

FAR WEST RAND

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
710	250	Blyvoor 25c	395	+5	Q75c	1.6	13.7
£14	440	Buffels R1	720	−10	Q125c	1.6	12.6
140	70	Deelkraal R0.20	94	−2	—	—	—
760	125	Doornfontein R1	280		Q55c	2.2	14.2
965	330	East Drie R1	690	−10	Q75c	1.7	7.9
280	122	Elandsrand Gld 20c	160	+5	—	—	—
190	44	Elsburg R1	112	+2	‡Q33.8c	1.0	‡
£16½	520	Hartebeest R1	£10¾	+¼	Q190c	1.3	12.8
695	260	Kloof Gold R1	480		Q47c	1.5	7.1
760	140	Libanon R1	320		Q80c	2.0	18.1
740	230	Southvaal 50c	390	+5	Q8c	1.3	1.5
245	92	Stilfontein 50c	160		‡Q36c	2.2	‡
£20¾	700	Vaal Reefs 50c	£11¼	+¼	‡Q175c	2.1	‡
420	48	Venterspost R1	170		Q25c	3.6	10.6
£35	£11⅝	W. Drie R1	£20½		Q335c	1.5	11.6
315	68	Western Areas R1	178	−2	‡Q52c	1.4	‡
£15¼	480	Western Deep R2	840	−10	‡Q[illegible]	1.6	‡
290	100	Zandpan R1	190	+3	Q31½c	1.0	11.9

O.F.S.

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
170	60	Free State Dev. 50c	120		Q9c	0.6	5.4
£22½	715	F.S. Geduld 50c	£11¼	+¼	Q200c	♦	12.3
200	50	F.S. Saaiplaas R1	98	−4	6c	2.6	3.4
465	170	Harmony 50c	320	+10	‡Q65c	1.9	‡
195	38	Loraine R1	94	+4	Q6c	0.5	4.6
£18½	10⅞	Pres. Brand 50c	£10⅞	+⅛	Q170c	♦	11.6
£13	395	Pres. Steyn 50c	740		Q45c	♦	8.4
£23½	750	St. Helena R1	£12½	+¼	Q170c	♦	9.9
174	70	Unisel	130	−3	—	—	—
330	125	Welkom 50c	205	+5	Q15c	♦	5.3
£25½	950	W. Holdings 50c	£15¼	+½	Q310c	♦	14.2

FINANCE

DIAMOND AND PLATINUM

CENTRAL AFRICAN

AUSTRALIAN

TINS

COPPER

MISCELLANEOUS

High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
10	8	Burma Mines 17½p	9		0.1	♦	1.8
35½	15½	Charterhall 5p	20½	−½	—	—	—
990	550	Cons. Murch 10c	620		†Q80c	1.8	9.3
350	245	Northgate C$1	330		—	—	—
239	132	R.T.Z.	148	−7	g5.96	2.1	6.2
112	67	Sabina Inds C$1	70		—	—	—
£15⅞	£10	Tara Expln $1	£12⅛		—	—	—
45	32½	Tehidy Minerals 10p	36		†h1.08	♦	4.6
145	84	Yukon Cons C$1	115		—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- △ Sterling denominated securities which include investment dollar premium.
- ■ "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ♦ Figures or report awaited.
- †† Unlisted security.
- ø Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress.
- ♦ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend, cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ‡ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ● Excluding a final dividend declaration.
- ♦ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1976-77. K Figures based on prospectus or other official estimates for 1976-77. M Figures based on prospectus or other official estimates for 1978. N Dividend and yield based on prospectus or other official estimates for 1976. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: ≡ ex dividend; ⊠ ex scrip issue; ≠ ex rights; ≈ ex all; # ex capital distribution.

"Recent Issues" and "Rights" Page 21

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £325 per annum for each security.

FINANCIAL TIMES
Tuesday November 23 1976

Government outlines Secrets Act reforms

BY RUPERT CORNWELL, LOBBY STAFF

THE GOVERNMENT plans a wide-ranging reform of the much-criticised Official Secrets Act, under which most unauthorised disclosures covering home and economic policy would cease to be criminal offences.

The proposals, which were outlined in the Commons yesterday by the Home Secretary, Mr. Merlyn Rees, mean in effect that prosecution will only be considered in cases where defence, national security, or international issues are involved. They are broadly based on the findings of the Franks Committee, which reported on the matter in 1972.

However, the Government has made some modifications and Mr. Rees claimed that the new scheme would not only give the fullest protection to national interests but be more liberal than the original recommendations.

The overriding aim is to streamline the Act's Section 2, which by making the unauthorised disclosure of all official information a crime has been regarded as too sweeping to be workable.

The Government will not be able to introduce a Bill in the new session of Parliament opening on Wednesday, which is already crowded with Devolution and European Assembly legislation. But Mr. Rees indicated that the Attorney General would consider the proposals when he was considering any proceedings under the Act from now on.

The centrepiece of the scheme is a new security category called "Defence and International-Confidential," wider based than the Franks idea of a special defence classification.

This will make a criminal offence all disclosures which cover military weapons and equipment, certain areas of defence policy, and international matters where a leak would damage British interests or endanger a British citizen.

The Government has retained the Committee's suggestion that these regulations should embrace disclosures of certain police activities, of confidential data on an individual.

Disclosure for gain will also be liable to criminal sanction—an inclusion which reflects the present official concern over the whole problem of standards in public life.

However, the economic field will be excluded completely. Although Franks had proposed that leaks involving the currency and the national reserves should be a criminal offence, Mr. Rees said yesterday that the disappearance of fixed rate had made it impossible to make a real difference between external and internal monetary questions.

Meanwhile, the traditional protection given to Cabinet and Cabinet Committee documents will be dropped, except where these fall into one of the particularly sensitive categories, which are still offenses.

The doctrine of collective Cabinet responsibility was fundamental to the British system of government, Mr. Rees said, shrugging off loud Conservative laughter. He accepted the need for special arrangements in that field.

But most of the documents covered home affairs and their protection was basically a matter of trust and good sense among colleagues.

The Tories gave the proposal a very cautious welcome — emphasising both the need for detailed discussion centred on a White Paper, and the risk that major problems of definition would occur as precise legislation was drafted.

Parliament Page 14

Ford sacks 10 at Halewood in bid to enforce discipline

BY ARTHUR SMITH

FORD MOTORS intensified its atempt to enforce discipline at the troubled Halewood plant on Merseyside by dismissing ten workers yesterday.

In spite of this, the unions have instructed the 4,500 employees who walked out in sympathy with their colleagues last week to report for work as normal.

Talks between the management and unions about discipline will resume to-day. Nearly five hours of talks last night failed to resolve the issues. Production yesterday almost came to a standstill and Ford says that disputes have already cost £9m. in lost output this month.

Eight of the dismissed men, who rub down the lead finish on car bodies, are accused of taking extended lunch breaks.

The management insists that the hour a day allowed under health regulations for clean-up and preparation should be taken as overtime outside normal working hours. The men claim they should be entitled to work only an eight-hour day now that the company has withdrawn overtime throughout the plant.

The other men dismissed are welders who, according to management, have been missing operations and not working to agreed practices.

The management want the welders to stand either side of body shells as they pass down the track, but the men say that they have always carried out the operation by standing on the track between the bodies.

A strong line has been taken on discipline by the management in a move to increase output, at present running 20 per cent. below the scheduled 1,000 cars a day.

The company maintains that the main reason for this poor performance is that some employees are not doing their job properly in order to create unofficial time off the job for themselves. Some operators, by cutting corners on work, were causing unnecessary and expensive rectification and disrupting production.

Mr. Eric Cooper, convener at the body plant, insisted last night that any abuses of the system by the men had already been removed. He maintained that management was deliberately provoking a confrontation.

Alan Pike writes: Leyland's internal dispute position eased yesterday, but production remains threatened by the strike at Rubery Owen, Darlaston, an important component supplier.

At the Rover engine plant in Acocks Green, Birmingham, 36 machinists called off a fortnight-long strike over a work study grievance which had halted Land-Rover production. Their action will permit the recall from to-day of 1,500 men made idle by the dispute. However, 400 Range-Rover workers are still laid off because of the Rubery Owen dispute.

Another dispute by 21 gear cutters at Leyland's engine factory at Radford, Coventry, also ended yesterday, but at the Courthouse Green engine plant—also in Coventry—143 men remained on strike in support of a workmate accused by the company of refusing to assist with training. Their action has made 700 other workers idle.

The Rubery Owen strike, by 120 maintenance engineers over a pay claim, is potentially very serious for car manufacturers, particularly Leyland. About 2,000 of the 2,300 Rubery Owen workforce were idle yesterday and a proposed visit to the factory next week by the Duke of Kent as part of Export Year has been cancelled.

Inter-union talks at Chrysler's Linwood, Renfrewshire, factory yesterday failed to resolve a strike by 400 men resulting from the introduction of work-study engineers when production targets were not met. Car production was at a standstill yesterday but the company transferred men to temporary jobs and there were no lay offs.

Efforts to resolve the dispute—which is complicated by a disagreement between unions over representation on the joint shop stewards' committee—will be made to-day when a full meeting of shop stewards considers proposals hammered out yesterday by their senior colleagues.

Britain may seek pause on Rhodesia conference

BY BRIDGET BLOOM, AFRICA CORRESPONDENT

BRITAIN is considering an adjournment of the Rhodesia conference if new proposals designed to break the deadlock on the issue of the independence date are found unacceptable by the African delegations of the Patriotic Front.

It is understood that the proposals discussed in London yesterday by Mr. Ivor Richard, the conference chairman, and Mr. Anthony Crosland, the Foreign Secretary, are a reformulation of earlier British ones which set the independence date on March 1 1978.

Though no official details were available, Mr. Richard, who returned to Geneva last night and is due to meet the Patriotic Front delegations to-day, has not apparently been empowered to accept the African demands of a firm independence date within 12 months of the end of the conference.

The new formulation may not be accepted, and Mr. Crosland and Mr. Richard discussed the advisability of adjourning the conference for a short while if there was no further progress in the next day or two.

The objective of such an adjournment in the British view would be to give the delegations time to reflect on the consequences of failure in the hope that, in a week or two, they would be ready to move on to the main agenda item, the formation of an interim Government.

Adjournment would not be considered as admission that the conference had failed.

Whether the Africans would see it in that light remains to be seen. At a Press conference in Geneva yesterday Mr. Joshua Nkomo, who with Mr. Robert Mugabe is one of the leaders of the Patriotic Front, repeated the Front's demand that Britain unequivocally set a binding date for independence.

"It is not true that Britain has given a date. It has not given any firm undertaking whatsoever," Mr. Nkomo said, adding that the Front would not discuss other agenda items until a date had been fixed.

British spokesmen continue to insist that the conference is not nearing breakdown, but the search for alternative courses of action suggests otherwise.

There is some speculation that an adjournment may lead to reconvening the conference in another place, and possibly with a British Minister as chairman.

Mr. Crosland, whom the Africans originally wanted to chair the conference, told Parliament last week that he "would be prepared to go" to Geneva if his presence could save the conference from collapse.

Another suggestion is that Mr. Richard might try to continue the conference with the two African delegations led by Bishop Muzorewa and the Rev. Ndabaningi Sithole, who have agreed to the British formulation on the independence date.

This, like suggestions that Mr. Nkomo might be persuaded to leave the Patriotic Front and join in such discussions, hardly seems a credible course. Mr. Mugabe and Mr. Nkomo between them have the greatest following among the guerillas, whose support is essential if a negotiated settlement is to lead to an end of the war in Rhodesia.

Britain's dilemma—Page 18

Continued from Page 1

Town hall spending target

if inflation exceeds 10 per cent.

The Government will not discriminate between individual local authorities according to whether they overspent this year. The grant settlement is likely to hit unfairly hard on authorities which kept to the Government guidelines for 1976-77.

Changes in the formula for distribution of grant will bear heavily on these authorities, mostly in non-metropolitan areas, whose share of the grant is reduced.

So some councils face increasing their rate calls in April by considerably more than Mr. Shore's average figure of "15 per cent." for household rates. According to the County Councils Association last night, some county precepts may be increased by 20-25 per cent. The Association of District Councils thought the increase in non-metropolitan district rates would range between 6 and 25 per cent.

● In the Commons Mr. Shore announced that Mr. Derek Robinson, a senior research officer at the Oxford Institute of Economics and Statistics, had been invited to chair a committee to report on the system of attendance allowances claimed by local councillors.

GEC optimistic about £150m. Brazilian order

BY DAVID WHITE RIO DE JANEIRO, Nov. 22.

GEC IS on the point of winning a contract worth £150m. part of a railway-building programme for Brazil.

GEC's deal is the first big contract to follow the Anglo-Brazilian agreement signed earlier this year, when President Ernesto Geisel visited London.

Under the contract, GEC is to provide equipment and services for a 250-mile rail link between Sao Paulo and Belo Horizonte.

The line, being built at an estimated total cost of £850m., has run into financing difficulties in recent months, and the Brazilian Government last week promised £110m. to pay contractors in anticipation of an International Bank loan of $250m., which is still in the negotiating stages.

The railway is the most important project in a large rail expansion programme in Brazil, but the target for conclusion is reported to have been postponed by two years to 1982 under a series of economies in Government spending, announced last week.

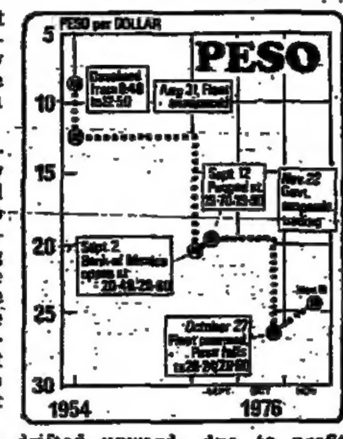
Another British company, the Scottish McDermott / Oceanic Yard is hoping to win an order worth £8m. for an offshore production platform for the Brazilian State-controlled oil company Petrobras.

The 6,000-ton steel platform will be towed in its completed state to the South Atlantic for use on Brazil's continental shelf.

The Scottish group is understood to be competing for the order with two French companies, U.I.E. and E.T.P.M. However, Oceanic is believed to stand the best chance of getting the order because of a £15m. line of credit which Petrobras has from Lloyds Bank.

Mexico suspends foreign dealings

BY ALAN RIDING MEXICO CITY, Nov. 22.



THE MEXICAN Government to-day suspended foreign exchange dealings indefinitely after speculation against the peso late last week caused a serious outflow of capital.

Official banking sources estimated $150m. left the country on Friday, amid widespread rumours that a military coup would take place over the week-end. The official morning fixing level of 24.32 pesos to the dollar—48.6 per cent. below the value on August 31 before the currency was floated—was maintained throughout the day, but several banks were forced to stop trading after they ran out of dollars.

The week-end passed uneventfully, but with just eight days left of the government of President Luis Echeverria, the middle classes and private sector remained gripped by uncertainty and many people indicated they would change all their liquid funds into dollars.

The Bank of Mexico has said that it would intervene to prevent erratic movements of the peso or blatant speculation, but this is the first time it has done so openly by suspending foreign exchange dealing. Inevitably, this decision has strengthened rumours that exchange controls may soon be imposed here.

Since the second devaluation of the peso on October 27, when it fell from 19.90 to 26.50 to the dollar, the currency has slowly drifted upwards due to profit-taking by speculators and loans exceeding $2bn. from the International Monetary Fund and foreign commercial banks. Before being floated on September 2, the peso was held at 12.50 to the dollar for 22 years.

Although the suspense cannot last long, above all since the lucrative winter tourist season is about to begin, bankers here believe the Government is reluctant to re-open dealings until after President-elect Jose Lopez Portillo takes office on December 1.

In the meantime, private banks appear to be forming a parallel market here and were offering pesos at 28.50 to the dollar to-day. Dollars were not offered.

Lords reform may mean new membership basis

BY RICHARD EVANS, LOBBY EDITOR

A FAR-REACHING plan of reform for the House of Lords, involving drastic curtailment of powers and a novel new membership, has been drawn up by the Labour Party as pressure mounts for action.

The plan, in a confidential document drafted by the Transport House research department, will be considered by a committee to-day and sent to the full national executive committee next month.

It could form the basis of proposals for reform which can be expected in the next election manifesto.

The proposal is to cut the delaying power of the Lords, reduced from two years to one by an amendment of the Parliament Act in 1949, by:

1 Allowing the Commons to remove Lords' amendments by a simple vote, with no requirement to send them back.

2 Outright rejection of legislation by the Lords at any stage could be vetoed by an overriding vote by the Commons in the same session. In this way, the "pin-pong" between the two Houses, which killed the Aircraft and Shipbuilding Industries Bill yesterday, could no longer happen.

The discussion document, set in motion by Mr. Anthony Wedgwood Benn as chairman of the Home Policy committee a year ago, also suggests limiting voting in the Upper House to life peers only in addition to altering the composition.

It is suggested that people from organisations playing a major role in the life of the community, such as trade unionists and representatives of industry and local government, should be made members of a new second Chamber.

They need not be created life peers but could take some other title such as Lord of Parliament or Parliamentary Alderman.

"This body would thus not be a directly elected Chamber and the elected House of Commons would rightly be unchallenged as the main legislative body.

"However, this revised second Chamber would be a forum of some weight able to advise and complement the work of the Commons in an appropriate way," the document concludes.

Continued from Page 1

Shipbuilding

and the responsibility rested entirely with the Tory peers aided and abetted by Conservative MPs.

Mr. Tom King, the Opposition front-bench spokesman, described as "incredible" the Government's decision to lose the whole Bill rather than accept the Lords amendment.

It had been motivated by a personal sense of resentment and malice against Bristol Channel Ship Repairers, the one company that had had the nerve to fight, he claimed.

The deep resentment among Ministers and Labour MPs over the Lords' defiance makes it certain that reform or abolition of the Upper House will feature prominently in the next Labour Party election manifesto, but there is little the Government can do to curb the Lords this side of an election.

Ministers refused to accept the Lords decision on two grounds—they regard ship repairers as an essential part of a publicly-owned ship building industry, and they felt that if the Lords were allowed to defy the Commons majority on this measure it would lead to further attacks on Labour legislation in the future.

All the other contentious measures that the Government has been determined to push through Parliament reached the Statute Book last night.

They include the National Health Service Bill, which phases out pay beds; the Education Bill, which obliges local authorities to introduce comprehensive education; the Dock Work Regulation Bill, the Race Relations Bill and the Rent (Agriculture) Bill, which abolishes tied cottages.

THE LEX COLUMN

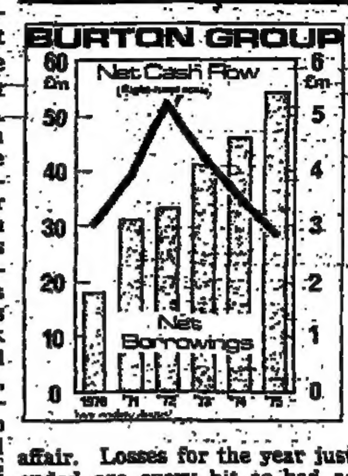
Crucial times for Burton

The management shakeup announced yesterday at Burton Group has to be seen in the context of the forthcoming results, due in the middle of next month. They are going to make unpleasant reading. In the first half Burton earned only £0.4m. from trading, with profits from property disposals taking the total up to just over £1m. pre-tax. Since then the menswear operations have had to cope with a sharp fall in business volumes at least up to the August year-end—and a dip into losses seems inevitable, with City estimates hovering around the £4m. mark for the full year. The dividend—the "A" shares at 25p, up 1p, nominally yield 26 per cent.—is obviously in grave danger. So after a lengthy period of gradual profits decline and simmering institutional discontent the Burton Board has finally decided to bring to an end the seven-year reign of Mr. Ladislas Rice as chief executive.

For the incoming managing director Mr. Cyril Spencer the challenges are very much as they were for Mr. Rice in 1969, though the starting point is much less favourable. Fortunately Burton has had a great deal of fat to live off. At the date of the last balance sheet rather more than a year ago the debt-equity ratio was still under 50 per cent., despite rising debt in recent years. But the current market capitalisation is under £10m. against book shareholders' funds of well over £100m.

The question is whether outside shareholders should once again accept what must amount to the Burton family's management selection. It is not just Mr. Rice who is in the spotlight here. According to the company there have been no formal discussions with the institutions since the spring. But the decisions now being taken are crucial to the chances of Burton being restored to health. And the capital structure—through which the Board controls 57 per cent. of the votes but only 23 per cent. of the equity—stands out as an ever more glaring anachronism in such an unsuccessful company.

Index fell 14.0 to 293.2



Dunford & Elliott

The full details of the forthcoming rights issue from Dunford and Elliott do not throw much new light on this curious affair. Losses for the year just ended are every bit as bad as might have been expected, at £1.1m. pre-tax, and the only clue to the scale of the recovery currently anticipated is that the "Board expects to revert to the payment of a much higher level of dividends" in respect of this year's trading after a strictly nominal payment for 1975-76.

But there is no explanation for the motives of the underwriters in pressing ahead with their support operation in the face of what looks like a perfectly viable alternative in the shape of a takeover offer from Johnson and Firth Brown. Those underwriters who are already shareholders may feel that they have some obligation to prevent Dunford being forced into an unwelcome takeover simply by reason of its cash pressures. They may also feel that their proposals could force out a higher offer.

But these considerations should be of no interest whatsoever to Equity Capital for Industry or Finance for Industry, which have no existing holding but are also taking part in the underwriting. In fact there is a direct conflict of interest in these circumstances between an incoming shareholder—who wants to get as high a proportion of the equity as possible for his money at the expense of the existing shareholder—and those who already hold shares.

In this case, however, these two institutions have underwritten terms which not only had no basis in the recent market price of the shares, but which were also sharply increased on the appearance of the bid. This initiative—which under the terms of its constitution must have had the prior approval of the whole ECI Board—casts an uncertain light on an organisation which has gone out of its way to stress that it does not want to compete with the present market mechanisms.

Given the apparently unattractive terms of the rights, the package could almost be presented as a counter offer to the Firth Brown deal. Come to think of it, a blast of cold air from the Take-over Panel could be just what is needed.

Commercial Union

Commercial Union's U.S. underwriting losses after nine months are down from $61.6m. to $47m. on a statutory basis, with just $5.9m. of that arising in the third quarter. On the usual seasonal pattern, the U.S. could actually make a small profit during the final three months.

The performance elsewhere has not been so positive. Although £5m. of the U.S. loss has been charged to the special provision of £15m. set up at the end of last year, overall underwriting losses are only down from £58.1m. to £49.8m. on the basis of comparable exchange rates. Loss elimination in Australia has been worth several million. But after seven years of good profits (£10m. in 1975) the U.K. has swung into the red, and its problems have been aggravated by subsidence claims and fires through the long hot summer. Trouble spots elsewhere include the marine side, South Africa, and parts of the Continent.

CU hopes that its U.K. position may be stabilising — its liability experience seems to have improved in recent months—and its overall underwriting losses might not be much higher after 12 months than they are after nine. An investment income ought to be picking up, as cash flow starts to improve. So CU should be able to meets its objective of covering its dividend (costing £21m.) and having a little left over to replenish its reserves. But retentions of, say, £5m. or £6m. are really neither here nor there in the context of £317m. of shareholders' funds, which is why the shares yield 12 per cent. at 87p.

Weather

U.K. TO-DAY

SHOWERS. Sleet or snow in N.

London, S.E., Cent. S. and N. England, Midlands, I. of Man, S.W. Scotland

Dry, sunny intervals. Max. 6C (43F).

E. Anglia

Scattered showers. Max. 7C (45F).

Channel Is., S.W. England, Wales

Dry and sunny, isolated showers. Max. 8C (46F).

E., N.E. England, Borders, Edinburgh, Dundee areas, Highlands

Occasional showers of sleet or snow. Max. 5C (41F).

Aberdeen, Moray Firth areas, N.E. Scotland, Orkney, Shetland

Occasional sleet or snow. Max. 3C (37F).

Argyll, N.W. Scotland, N. Ireland

Scattered wintry showers. Max. 6C (43F).

Outlook: Dry, occasional wintry showers in N. and E. Cold.

Lighting-up: London 16.31, Manchester 16.31, Glasgow 16.28, Belfast 16.41.

BUSINESS CENTRES

	Y'day mid-day	°C	°F		Y'day mid-day	°C	°F
Alexndria.	C	22	72	Madrid	S	7	45
Amstrdm.	C	7	45	Manchstr.	C	6	43
Athens	C	18	64	Melbourne	C	15	59
Barcelona	S	10	50	Milan	F	10	50
Belfast	C	6	43	Montreal	Sn	−4	25
Belgrade	R	5	41	Moscow	Sn	−1	30
Berlin	F	5	41	Munich	C	[illegible]	[illegible]
Birmghm.	C	5	41	Newcastle	F	5	41
Bristol	F	8	46	New York	S	4	40
Brussels	C	8	46	Oslo	S	1	34
Budapest	C	5	41	Paris	C	8	46
B. Aires	S	30	86	Perth	C	21	70
Cairo	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Cardiff	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Cologne	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Copnhagn.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Dublin	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Edinb'rgh	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Frankfurt	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Geneva	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Glasgow	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Helsinki	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Hong Kong	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Jo'burg	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Lisbon	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
London	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Luxmbrg.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

HOLIDAY RESORTS

Ajaccio	[illegible]	[illegible]	[illegible]	Jersey	[illegible]	[illegible]	[illegible]
Algiers	[illegible]	[illegible]	[illegible]	Las Plms.	[illegible]	[illegible]	[illegible]
Biarritz	[illegible]	[illegible]	[illegible]	Locarno	[illegible]	[illegible]	[illegible]
Blackpool	[illegible]	[illegible]	[illegible]	Majorca	[illegible]	[illegible]	[illegible]
Bordeaux	[illegible]	[illegible]	[illegible]	Malaga	[illegible]	[illegible]	[illegible]
Boulogne	[illegible]	[illegible]	[illegible]	Malta	[illegible]	[illegible]	[illegible]
Casablnca.	[illegible]	[illegible]	[illegible]	Nairobi	[illegible]	[illegible]	[illegible]
Cape Town	[illegible]	[illegible]	[illegible]	Naples	[illegible]	[illegible]	[illegible]
Corfu	[illegible]	[illegible]	[illegible]	Nice	[illegible]	[illegible]	[illegible]
Dubrovnik	[illegible]	[illegible]	[illegible]	Oporto	[illegible]	[illegible]	[illegible]
Faro	[illegible]	[illegible]	[illegible]	Rhodes	[illegible]	[illegible]	[illegible]
Funchal	[illegible]	[illegible]	[illegible]	Salzburg	[illegible]	[illegible]	[illegible]
Gibraltar	[illegible]	[illegible]	[illegible]	Tangier	[illegible]	[illegible]	[illegible]
Guernsey	[illegible]	[illegible]	[illegible]	Tenerife	[illegible]	[illegible]	[illegible]
Innsbruck	[illegible]	[illegible]	[illegible]	Tunis	[illegible]	[illegible]	[illegible]
Inverness	[illegible]	[illegible]	[illegible]	Valencia	[illegible]	[illegible]	[illegible]
I. of Man	[illegible]	[illegible]	[illegible]	Venice	[illegible]	[illegible]	[illegible]
Istanbul	[illegible]	[illegible]	[illegible]				

C—Cloudy. F—Fair. R—Rain. S—Sunny. Sn—Snow.

Registered at the Post Office. Printed by St. Clement's Press for and published by the Financial Times Ltd., Bracken House, Cannon Street, London EC4P 4BY.